

The Global Newspaper  
Edited and Published  
in Paris  
Printed simultaneously  
in Paris, London, Zurich,  
Hong Kong, Singapore,  
The Hague, Marseille,  
Miami, Rome.

No. 32,506

35/87

Published With The New York Times and The Washington Post

PARIS, FRIDAY, AUGUST 28, 1987

ESTABLISHED 1887

# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

## Philippine Soldiers Attempt Takeover; Aquino Unharmed

Compiled by Our Staff From Dispatches

MANILA — Several hundred mutinous troops attacked the presidential palace compound early Friday in an apparent coup attempt against the government of President Corazon C. Aquino. Mrs. Aquino was safe, her spokesman said.

Reporters near the palace said at least six persons were killed in the fighting, the fifth major coup attempt since Mrs. Aquino came to power 18 months ago and the first since April. Early radio reports said two persons were killed and about 10 wounded.

Mrs. Aquino's chief of staff, General Fidel V. Ramos, said in a radio interview that loyal troops were in control of the area around Malacanang Palace.

The rebel troops were believed to be loyal to Mrs. Aquino's predecessor, Ferdinand E. Marcos.

### Kiosk

#### Italy Nears Action on Gulf

ROME (Reuters) — The Italian cabinet agreed Thursday to send minesweepers to the Gulf if a United Nations cease-fire call fails to halt the Iran-Iraq war soon. Foreign Minister Giulio Andreotti said the cabinet had agreed to give diplomatic efforts a little more time.

The council urged a cease-fire in the Gulf war on July 20. Defense Minister Vincenzo Zanone said no precise time limit had been set, but added: "if it's a question of weeks, if it's a question of days."

Mrs. Aquino's executive secretary, Joko Arroyo, said military intelligence was still trying to identify the rebel units.

The attempt came a day after militant unionists held the biggest strike of Mrs. Aquino's administration. After the strike, the government cracked down on the union movement, arresting the organizer of the strike that paralyzed the capital for two days. It was not immediately clear whether the two events were related.

See MANILA, Page 2

#### Dollar Lowers Profit at Toyota, Volvo

International Herald Tribune

Toyota Motor Corp. and Volvo AB, two of the world's leading automobile exporters, significantly lower profits Thursday. They said that the falling dollar had hurt exports, especially to the United States.

Toyota, Japan's biggest car company, said in Tokyo that its net profit for the financial year that ended June 30 had fallen 21.5 percent to 200.21 billion yen (\$1.4 billion) from a year earlier.

Volvo, the Swedish car, energy and foods group, reported in Stockholm that its pretax profit for the first six months of 1987 had declined 10 percent to 4.29 billion Swedish kronor (\$540 million).

See AUTOS, Page 13



Policemen in Manila seizing student demonstrators Thursday, the day after a general strike to protest a fuel price increase. (Joseph Caputo/The Associated Press)

#### Nunn Decides Not to Seek White House

By James R. Dickenson  
Washington Post Service

WASHINGTON — Senator Sam Nunn of Georgia, considered a potentially strong presidential candidate by many Southern and conservative Democrats, announced Thursday that he would not seek the 1988 nomination.

Mr. Nunn, 48, who is regarded as the foremost Senate expert on defense matters, cited his family responsibilities and Senate duties, particularly his position as chairman of the Armed Services Committee.

[On the Republican side, former Senator Paul Laxalt of Nevada an-

nounced that he, too, would not be a candidate.]

The decision by Mr. Nunn, a moderate to conservative South-

ern, removed what some Demo-

crats had seen as their best chance of winning the southern vote in the elections, a key to recapturing the White House from the Republi-

cans. I am also concerned about the

immediate speculation was

that the Democratic candidates

who would most benefit by Mr. Nunn's decision were Senator Al

Bert Gore Jr. of Tennessee and

Representative Richard A. Gep-

hardt of Missouri.

Mr. Gore and the Reverend Jes-

L. Jackson are the only two South-

erners who have made the Southern vote a

major part of his strategy, was the

second choice of many Southerners

who were supporting Mr. Nunn.

In a letter to supporters, Mr.

Nunn said: "My new responsibility

as chairman of the Senate Armed

Services Committee weighed heavily

in this decision. With a son in

high school and a daughter in col-

lege, I am also concerned about the

impact of a presidential campaign

on my family."

His decision was a disappoint-

ment to many Democrats who saw

him as their party's strongest can-

didate in the South, a region that

once was solidly Democratic but

which has voted Republican in four

of the last five presidential elec-

tions. Political observers of both

parties agree that the Democrats

must become competitive in the

South to have any hope of regaining

the White House.

Many Democrats, however, were

skeptical of Mr. Nunn's chances of

winning the nomination because he

See NUNN, Page 2

for the nuclear warheads of the

missiles.

Mr. Gerasimov's comments were

the first official Soviet reaction to

both Mr. Reagan's speech and Mr.

Kohl's offer.

Mr. Gerasimov accused Mr.

Reagan of pouring "a very cold

rain" on improving East-West relations

with anti-Soviet rhetoric in the

speech.

"Washington is trying to per-

suade all and everyone," Mr. Gera-

simov said, "that everything that is

being done in the United States is

good and everything that is taking

place in other countries is bad."

Mr. Gerasimov said the presi-

dent adopted the tone of a "tired

little mentor" preaching to a

naughty schoolboy.

He said the Soviet Union was

disappointed in Mr. Reagan's

speech, which he said "runs

See ARMS, Page 2

## Prospect 'Better' For Arms Pact, Moscow Asserts

Compiled by Our Staff From Dispatches

MOSCOW — The Soviet Union said Thursday that the chances of concluding a major arms agreement with the United States "changed for the better" when West Germany agreed to eliminate 72 Pershing-1A missiles.

Gennadi I. Gerasimov, a Foreign Ministry spokesman, said the West German decision, along with U.S. agreements on verifying a treaty, meant an agreement could be reached by U.S. and Soviet negotiators at arms talks in Geneva.

Taking into account that the United States has changed its position on verification, Mr. Gerasimov said, "we think that all these problems can be solved by our diplomats in Geneva."

Mr. Reagan has told negotiators in Geneva to alter U.S. demands for continuous on-site inspections to fit our compliance with a treaty.

Referring to the initiative on the Pershing missiles by Helmut Kohl, the West German chancellor, Mr. Gerasimov said:

"After the statement of Chancellor Kohl the situation has changed for the better. We have already stated that the federal Republic of Germany could make the first step in advance and now this has been done."

"But I must warn you again," he added, "that we are studying the conditions attached and there are quite a number of conditions."

On Wednesday, Mr. Kohl said his country would eliminate its Pershing-1A missiles once the superpowers concluded an agreement to rid the globe of medium and shorter-range missiles.

Washington provides and con-

tinues the nuclear warheads of the

missiles.

Mr. Gerasimov's comments were

the first official Soviet reaction to

both Mr. Reagan's speech and Mr.

Kohl's offer.

Mr. Gerasimov accused Mr.

Reagan of pouring "a very cold

rain" on improving East-West relations

with anti-Soviet rhetoric in the

speech.

"Washington is trying to per-

suade all and everyone," Mr. Gera-

simov said, "that everything that is

being done in the United States is

good and everything that is taking

place in other countries is bad."

Mr. Gerasimov said the presi-

dent adopted the tone of a "tired

little mentor" preaching to a

naughty schoolboy.

He said the Soviet Union was

disappointed in Mr. Reagan's

speech, which he said "runs

See ARMS, Page 2

## More Miners Dismissed in South Africa

United Press International

JOHANNESBURG — Anglo American Corp., disregarding threats of a national strike in support of striking black miners, dismissed 18,400 workers at six mines on Thursday and reaffirmed deadlines for 32,000 others to be back at work Friday.

"We are processing dismissals at a number of mines," an Anglo American spokesman, Paul Clothier, said. "Strikers have deadlines to return to work tomorrow at a number of other mines."

Miners operators at Anglo American, which employs most of the 330,000 strikers, also said about 3,000 miners refused to leave underground work stations at the Western Deep Levels mine, where the world's deepest shafts go down three miles (4.8 kilometers).

Mr. Clothier said 6,000 men were dismissed from the Western Deep gold mine Thursday, including the estimated 3,000 involved in the sit-in. Mr. Clothier also said violence was reported late Wednesday at the gold mine, but he declined to disclose details.

In the past, mine owners usually have retired most of those dismissed.

The dismissals followed the miners' rejection Wednesday of an offer made by the Chamber of Mines, which represents the six largest coal and gold mining companies.

The chamber had offered a 10 percent increase in vacation pay and a doubling of death benefits.

Anglo American instituted wage increases of 15 to 23.4 percent effective July 1. The National Union of Mineworkers reduced their demand for a wage increase on Tuesday to 27 percent from 30 percent.

About 29,000 strikers have been dismissed since the strike began Aug. 9.

Earlier Thursday, South Africa's biggest labor federation warned it might call a national strike if mine owners dismissed strikers.

"Black workers in this country have few weapons, but one of those weapons is withdrawal of labor," said Jay Naidoo, general secretary of the Congress of South African Trade Unions. "A general strike is not a last resort. It is one of the weapons we have."

Mr. Naidoo added: "The mine

See STRIKE, Page 2

## Pop's Mega Best Seller Ends Silence

### 5 Years After 'Thriller,' Michael Jackson Back on Top

By Mike Zwicker

International Herald Tribune

PARIS — You can hear 38.5 million sighs of relief. Our hero's image problems seem over. After five years without releasing an album, and after persistent rumors that he has become withdrawn and eccentric, Michael Jackson is back on record.

Considering Jackson's past performance — "Thriller" entered the Guinean Book of Records as the best-selling LP of all time, with more than 38.5 million records shipped — this is a financial and sociological event. On the financial side, although specific figures are not available, it is estimated that total sales are close to \$300 million.

"I Just Can't Stop Loving You," the first single of Jackson's new album is already number one on the "Music and Media" magazine "European Hot 1

## Bonn Social Democrats And East German Party Call for Joint Reforms

By Robert J. McCartney  
*Washington Post Service*

BONN — Prominent representatives of the Social Democratic Party in West Germany and the Socialist Unity Party in East Germany issued a joint declaration of goals Thursday calling for an end to the arms race and "peaceful competition" between their two systems.

The document was issued 11 days before a scheduled visit to West Germany by the East German.

### MANILA: Attempted Mutiny

(Continued from Page 1)

The presidential spokesman, Teodoro Benigno, said Mrs. Aquino and her family were safe inside her residence across the street from the main Malacañang Palace compound.

"The situation immediately around her residence is under control," Mr. Benigno said. "She asked me to call radio stations to say her family is all right and for the country not to worry about her."

A resident of the palace area, René de los Reyes, said the attack started around 1 A.M. when truckloads of mutineers approached the palace.

Mrs. Aquino's government has survived several coup attempts since she took power in a military-civilian uprising that deposed Mr. Marcos in February 1986.

Military sources said the attack Friday was the most serious since January, when mutineers attempted to seize news media and military facilities in the capital in an attempt to restore Mr. Marcos to power.

In April, a small group of rebels stormed army headquarters at Fort Bonifacio in an attempt to free those jailed after the January attack. Most were captured.

On Thursday, the police chased away protesters and arrested 71 people, including the strike organizer, Medardo Roda.

Transportation in Manila remained impaired and some shops and businesses stayed shut Thursday, but the nationwide strike called to protest government-ordered fuel price increases was less severe than on Wednesday.

Brigadier General Alfredo Lim, the Manila police chief, said Mr. Roda, chairman of the United Association of Transport Workers Nationwide, was arrested for "inciting to sedition."

Protests on Wednesday paralyzed public transport and commerce in Manila and elsewhere, triggering violent clashes with the authorities. Four persons were wounded when the police fired on strikers who refused to disperse in Bacoor, just south of Manila. Nationwide, 127 people were arrested Wednesday.

(AP, UPI)

## JACKSON: Pop Music's Mega Best Seller Ends Silence

(Continued from Page 1)

All of that is now put to rest. CBS France has released a photo of a smiling Jackson standing beside two of their executives at a recent company sales conference in New York ("without mask and without oxygen tent," says the accompanying text), and a press attaché reports he had a firm handshake and is a shy, likable young man. She said that, if she had his money, she'd have a zoo too.

The new album speaks for itself. "Bad" is technically and commer-

cially perfect, and a perfect sequel to "Thriller."

Perfection starts with the name. "Bad" means "good" in Afro-American slang. It implies people like Malcolm X, Eddie Murphy, John Coltrane and of course Michael Jackson — blacks who forced white society to accept them on their own terms. The last thing a black star in America wants to be is "good." Uncle Tom was "good." The name even suggests possible sequels — "Badder" and "Baddest," for example.

Perfection continues with the credits: "Our deepest gratitude to the Creator for the tireless efforts



Kim Woo Jung, the chairman of the Daewoo Group, expressing his regret to thousands of workers over the recent strike and the death of a worker at the company's shipbuilding plant on Koje Island. At right is Yang Ton Seng, the union head at the facility, and at center is Yoon Young Seok, president of Daewoo Shipbuilding & Heavy Machinery Co.

## Seoul Orders Crackdown on Leftists It Blames for Widespread Strikes

Compiled by Our Staff From Dispatches

SEOUL — The South Korean government said Thursday that it had ordered a crackdown on pro-Communist agitators it blames for fomenting nationwide labor turmoil, saying the unrest threatened political reforms that have been promised.

Prime Minister Kim Chung Yul, speaking on nationwide radio and television, said the government would "from now on mobilize fully its law enforcement power to root out forcefully the impure leftist forces from our society."

However, Mr. Kim made no criticism of the many thousands of workers who have gone on strike in recent weeks.

Meanwhile, the dissident National Coalition for a Democratic Constitution said memorial rallies would be held in nine cities Friday to coincide with the funeral for a shipyard worker killed Saturday in a clash with riot police on Koje Island.

The coalition, which triggered widespread anti-government protests in June that forced the government to announce sweeping democratic reforms, appealed to workers throughout the country to strike and occupy factories after the rally.

Trade unions and were "earnestly launching struggles to overthrow the free democratic system."

Students are expected to resume anti-government demonstrations when universities reopen next week after the summer vacation.

Mr. Kim suggested that one of the alliance leaders and the top leaders of the new Nationwide University Student Representatives Council were leftists.

Justice Minister Chung Hae Chang told a cabinet meeting earlier Thursday that 60 suspected radicals had been arrested in the past week after allegedly trying to infiltrate factories disguised as workers.

Diplomatic analysts said they did not believe the anti-leftist broadside meant Seoul was backing away from its newly conciliatory labor policies. They said they expected Seoul to honor its July 1 pledge, forced by weeks of angry street protests, to write a new constitution and allow free elections this year for a new president.

One West European diplomat said: "The government knew, when it opened the political floodgates, that the workers would immediately swarm in with a string of demands and it was ready to tolerate them."

(Reuters, AFP)

The workers had postponed the burial indefinitely, while representatives of the coalition insisted the body be buried alongside more than 100 victims of the 1980 anti-government uprising in the southwestern provincial city of Kwangju.

The union ended a 20-day strike Wednesday after winning hefty wage increases for its 12,000 workers.

Mr. Kim's address to the nation was made as workers, mostly demanding pay raises, were striking at about 640 companies across the country.

Speaking after an urgent cabinet meeting, he said leftist forces had infiltrated university campuses and

trade unions and were "earnestly launching struggles to overthrow the free democratic system."

Students are expected to resume anti-government demonstrations when universities reopen next week after the summer vacation.

Mr. Kim suggested that one of the alliance leaders and the top leaders of the new Nationwide University Student Representatives Council were leftists.

Justice Minister Chung Hae Chang told a cabinet meeting earlier Thursday that 60 suspected radicals had been arrested in the past week after allegedly trying to infiltrate factories disguised as workers.

Diplomatic analysts said they did not believe the anti-leftist broadside meant Seoul was backing away from its newly conciliatory labor policies. They said they expected Seoul to honor its July 1 pledge, forced by weeks of angry street protests, to write a new constitution and allow free elections this year for a new president.

One West European diplomat said: "The government knew, when it opened the political floodgates, that the workers would immediately swarm in with a string of demands and it was ready to tolerate them."

(Reuters, AFP)

The workers had postponed the burial indefinitely, while representatives of the coalition insisted the body be buried alongside more than 100 victims of the 1980 anti-government uprising in the southwestern provincial city of Kwangju.

The union ended a 20-day strike Wednesday after winning hefty wage increases for its 12,000 workers.

Mr. Kim's address to the nation was made as workers, mostly demanding pay raises, were striking at about 640 companies across the country.

Speaking after an urgent cabinet meeting, he said leftist forces had infiltrated university campuses and

trade unions and were "earnestly launching struggles to overthrow the free democratic system."

Students are expected to resume anti-government demonstrations when universities reopen next week after the summer vacation.

Mr. Kim suggested that one of the alliance leaders and the top leaders of the new Nationwide University Student Representatives Council were leftists.

Justice Minister Chung Hae Chang told a cabinet meeting earlier Thursday that 60 suspected radicals had been arrested in the past week after allegedly trying to infiltrate factories disguised as workers.

Diplomatic analysts said they did not believe the anti-leftist broadside meant Seoul was backing away from its newly conciliatory labor policies. They said they expected Seoul to honor its July 1 pledge, forced by weeks of angry street protests, to write a new constitution and allow free elections this year for a new president.

One West European diplomat said: "The government knew, when it opened the political floodgates, that the workers would immediately swarm in with a string of demands and it was ready to tolerate them."

(Reuters, AFP)

The workers had postponed the burial indefinitely, while representatives of the coalition insisted the body be buried alongside more than 100 victims of the 1980 anti-government uprising in the southwestern provincial city of Kwangju.

The union ended a 20-day strike Wednesday after winning hefty wage increases for its 12,000 workers.

Mr. Kim's address to the nation was made as workers, mostly demanding pay raises, were striking at about 640 companies across the country.

Speaking after an urgent cabinet meeting, he said leftist forces had infiltrated university campuses and

trade unions and were "earnestly launching struggles to overthrow the free democratic system."

Students are expected to resume anti-government demonstrations when universities reopen next week after the summer vacation.

Mr. Kim suggested that one of the alliance leaders and the top leaders of the new Nationwide University Student Representatives Council were leftists.

Justice Minister Chung Hae Chang told a cabinet meeting earlier Thursday that 60 suspected radicals had been arrested in the past week after allegedly trying to infiltrate factories disguised as workers.

Diplomatic analysts said they did not believe the anti-leftist broadside meant Seoul was backing away from its newly conciliatory labor policies. They said they expected Seoul to honor its July 1 pledge, forced by weeks of angry street protests, to write a new constitution and allow free elections this year for a new president.

One West European diplomat said: "The government knew, when it opened the political floodgates, that the workers would immediately swarm in with a string of demands and it was ready to tolerate them."

(Reuters, AFP)

The workers had postponed the burial indefinitely, while representatives of the coalition insisted the body be buried alongside more than 100 victims of the 1980 anti-government uprising in the southwestern provincial city of Kwangju.

The union ended a 20-day strike Wednesday after winning hefty wage increases for its 12,000 workers.

Mr. Kim's address to the nation was made as workers, mostly demanding pay raises, were striking at about 640 companies across the country.

Speaking after an urgent cabinet meeting, he said leftist forces had infiltrated university campuses and

trade unions and were "earnestly launching struggles to overthrow the free democratic system."

Students are expected to resume anti-government demonstrations when universities reopen next week after the summer vacation.

Mr. Kim suggested that one of the alliance leaders and the top leaders of the new Nationwide University Student Representatives Council were leftists.

Justice Minister Chung Hae Chang told a cabinet meeting earlier Thursday that 60 suspected radicals had been arrested in the past week after allegedly trying to infiltrate factories disguised as workers.

Diplomatic analysts said they did not believe the anti-leftist broadside meant Seoul was backing away from its newly conciliatory labor policies. They said they expected Seoul to honor its July 1 pledge, forced by weeks of angry street protests, to write a new constitution and allow free elections this year for a new president.

One West European diplomat said: "The government knew, when it opened the political floodgates, that the workers would immediately swarm in with a string of demands and it was ready to tolerate them."

(Reuters, AFP)

The workers had postponed the burial indefinitely, while representatives of the coalition insisted the body be buried alongside more than 100 victims of the 1980 anti-government uprising in the southwestern provincial city of Kwangju.

The union ended a 20-day strike Wednesday after winning hefty wage increases for its 12,000 workers.

Mr. Kim's address to the nation was made as workers, mostly demanding pay raises, were striking at about 640 companies across the country.

Speaking after an urgent cabinet meeting, he said leftist forces had infiltrated university campuses and

trade unions and were "earnestly launching struggles to overthrow the free democratic system."

Students are expected to resume anti-government demonstrations when universities reopen next week after the summer vacation.

Mr. Kim suggested that one of the alliance leaders and the top leaders of the new Nationwide University Student Representatives Council were leftists.

Justice Minister Chung Hae Chang told a cabinet meeting earlier Thursday that 60 suspected radicals had been arrested in the past week after allegedly trying to infiltrate factories disguised as workers.

Diplomatic analysts said they did not believe the anti-leftist broadside meant Seoul was backing away from its newly conciliatory labor policies. They said they expected Seoul to honor its July 1 pledge, forced by weeks of angry street protests, to write a new constitution and allow free elections this year for a new president.

One West European diplomat said: "The government knew, when it opened the political floodgates, that the workers would immediately swarm in with a string of demands and it was ready to tolerate them."

(Reuters, AFP)

The workers had postponed the burial indefinitely, while representatives of the coalition insisted the body be buried alongside more than 100 victims of the 1980 anti-government uprising in the southwestern provincial city of Kwangju.

The union ended a 20-day strike Wednesday after winning hefty wage increases for its 12,000 workers.

Mr. Kim's address to the nation was made as workers, mostly demanding pay raises, were striking at about 640 companies across the country.

Speaking after an urgent cabinet meeting, he said leftist forces had infiltrated university campuses and

trade unions and were "earnestly launching struggles to overthrow the free democratic system."

Students are expected to resume anti-government demonstrations when universities reopen next week after the summer vacation.

Mr. Kim suggested that one of the alliance leaders and the top leaders of the new Nationwide University Student Representatives Council were leftists.

Justice Minister Chung Hae Chang told a cabinet meeting earlier Thursday that 60 suspected radicals had been arrested in the past week after allegedly trying to infiltrate factories disguised as workers.

Diplomatic analysts said they did not believe the anti-leftist broadside meant Seoul was backing away from its newly conciliatory labor policies. They said they expected Seoul to honor its July 1 pledge, forced by weeks of angry street protests, to write a new constitution and allow free elections this year for a new president.

One West European diplomat said: "The government knew, when it opened the political floodgates, that the workers would immediately swarm in with a string of demands and it was ready to tolerate them."

(Reuters, AFP)

The workers had postponed the burial indefinitely, while representatives of the coalition insisted the body be buried alongside more than 100 victims of the 1980 anti-government uprising in the southwestern provincial city of Kwangju.

The union ended a 20-day strike Wednesday after winning hefty wage increases for its 12,000 workers.

Mr. Kim's address to the nation was made as workers, mostly demanding pay raises, were striking at about 640 companies across the country.

Speaking after an urgent cabinet meeting, he said leftist forces had infiltrated university campuses and

trade unions and were "earnestly launching struggles to overthrow the free democratic system."

Students are expected to resume anti-government demonstrations when universities reopen next week after the summer vacation.

Mr. Kim suggested that one of the alliance leaders and the top leaders of the new Nationwide University Student Representatives Council were leftists.

Justice Minister Chung Hae Chang told a cabinet meeting earlier Thursday that 60 suspected radicals had been arrested in the past week after allegedly trying to infiltrate factories disguised as workers.

Diplomatic analysts said they did not believe the anti-leftist broadside meant Seoul was backing away from its newly conciliatory labor policies. They said they expected Seoul to honor its July 1 pledge, forced by weeks of angry street protests, to write a new constitution and allow free elections this year for a new president.

One West European diplomat said: "The government knew, when it opened the political floodgates, that the workers would immediately swarm in with a string of demands and it was ready to tolerate them."

(Reuters, AFP)

The workers had postponed the burial indefinitely, while representatives of the coalition insisted the body be buried alongside more than 100 victims of the 1980 anti-government uprising in the southwestern provincial city of Kwangju.

The union ended a 20-day strike Wednesday after winning hefty wage increases for its 12,000 workers.

Mr. Kim's address to the nation was made as workers, mostly demanding pay raises, were striking at about 640 companies across the country.

Speaking after an urgent cabinet meeting, he said leftist forces had infiltrated university campuses and

trade unions and were "earnest

## Hostage Ransom Deals Were 'Harebrained,' CIA Official Testifies

By Stephen Engelberg  
*New York Times Service*

WASHINGTON — The White House kept alive an effort in 1986 to ransom the American hostages in Lebanon even though the Central Intelligence Agency believed the intermediaries were trying to steal the money, according to testimony and documents made public by the Iran-contra committees.

The material, declassified Wednesday, sheds new light on the administration's desperate attempts to free hostages, some of which were characterized by Clair George, the CIA's chief operations officer, as "harebrained schemes."

Mr. George's testimony contends that President Ronald Reagan and the late William J. Casey, then the CIA director, were overcome by "emotionalism" about the hostages, causing senior officials "to do and to run operations that are now, after the fact, foolish."

The CIA documents show that the agency was consistently skeptical about an operation using two Drug Enforcement Administration agents that was put together by Lieutenant Colonel Oliver L. North, who was then an aide to the National Security Council.

Under the plan, which Robert C. McFarlane, a former national security adviser, testified had been approved by Mr. Reagan, \$2 million in private money was to be used to gain the release of two hostages.

The administration was willing to raise as much as \$10 million in private funds and was prepared to give the money directly to the groups holding the hostages, a CIA document said.

According to the document, at a meeting on June 5, 1986, Mr. Casey told Rear Admiral John M. Poindexter, the national security adviser, of a "suggested effort to ransom the hostages from Hezbollah," a reference to the militant group that was believed to hold the hostages.

He indicated that this might cost as much as \$10 million that could be raised privately."

The memo said Admiral Poindexter "agreed to talk to the president to see if this kind of approach could be pursued privately."

The administration's stated policy was not to deal with terrorists. A main justification for the Iran arms dealings initially advanced by Mr. Reagan in his speeches was that the United States had dealt with Iran, not the kidnappers.

Later in June 1986, two drug enforcement agents took the first steps in their operation, paying \$200,000 to an intermediary who then reneged on his promise, according to congressional officials.

Mr. George's testimony and the documents indicate that, from the beginning, the CIA believed the intermediaries were dishonest.

After the hostages were taken in 1984 and 1985, "we began to get feels," Mr. George said. "It was a brutal, ugly story, but people were selling information, selling hostages, selling their rings, selling their clothes, selling letters, trying to make money out of the hostage business."

"This was hocus-pocus," said Mr. George of the drug agents' operation. "I asked my experts and we came to the decision that they were — it was a big scam. No big surprise. There was nothing to get excited about. We were scammed regularly on the hostage business and others."

Mr. George said Mr. Casey pur-

sued some of the more dubious operations backed by the White House because he was sensitive to criticism that CIA operatives were timid and overly bureaucratic.

"Bill Casey was the last great buccaneer from OSS," said Mr. George, referring to the forerunner of the CIA. "He was dropping agents into Germany and France and saving lives when most of us were doing nothing. This was a great guy, Bill Casey, and he saw in Ollie North a part of that, and he liked Ollie. But you could get to Casey and say, 'Ollie is crazy,' and Casey would change his mind."

Among other disclosures in documents and testimony released this week was the testimony of Alan Pietsch, chief of the agency's Central America task force, that the CIA had failed to provide a complete set of intelligence briefings on Central America to the House intelligence committee.

Representative Louis Stokes, Democrat of Ohio, disclosed that in 1985 the agency withheld three reports on the Nicaraguan rebels, or contra.

Mr. Stokes said one report disclosed the involvement of Richard V. Secord, a retired air force major general, in buying arms for the contra in March 1985; another said the air resupply operations began in November 1985, and the third mentioned arms shipments by South Africa to the rebels.

Mr. Fiers insisted that the withholding of these documents was a "technical slip-up" by a lower-level employee of the agency.

The congressional select committee also released a document showing that the White House overruled the vehement objections of John N. McMahon, the CIA's deputy director, to the planned sharing of military intelligence data with Iran in 1986.

Mr. McMahon said that by providing a detailed map showing the position and strength of Iraqi forces to Iran, "We were tilting in a direction that could cause the Iranians to have a successful offense against the Iraqis with catastrophic results."

When the Iran-arms dealings became public, the president insisted that the Iranians were given only defensive weaponry and that none of it could affect the balance of the war. He did not mention that intelligence had been provided to Iran.

**North Aide Testifies**

Lieutenant Colonel Robert Earl, a former aide to Colonel North, testified that Colonel North told him as the Iran-contra affair unraveled that he had asked Attorney General Edwin Meese 3d to delay investigation, The Associated Press reported.

Colonel Earl said he helped Colonel North sort through documents and that he ripped up and shredded papers. Colonel Earl, a marine officer, said it was "a little unclear to me what exactly to look for, so I erred on the side of destruction."

He testified that Colonel North had learned that Justice Department officials wanted to come to their office to inquire about what was going on.

Colonel Earl said Colonel North told him he had asked the attorney general, "Can I have" or "Will I have 24 or 48 hours?"

"He told me the attorney general had said something like he didn't know whether he could have that much time," Colonel Earl said.

Mr. George said Mr. Casey pur-

suised some of the more dubious operations backed by the White House because he was sensitive to criticism that CIA operatives were timid and overly bureaucratic.

"Bill Casey was the last great buccaneer from OSS," said Mr. George, referring to the forerunner of the CIA. "He was dropping agents into Germany and France and saving lives when most of us were doing nothing. This was a great guy, Bill Casey, and he saw in Ollie North a part of that, and he liked Ollie. But you could get to Casey and say, 'Ollie is crazy,' and Casey would change his mind."

Among other disclosures in documents and testimony released this week was the testimony of Alan Pietsch, chief of the agency's Central America task force, that the CIA had failed to provide a complete set of intelligence briefings on Central America to the House intelligence committee.

Representative Louis Stokes, Democrat of Ohio, disclosed that in 1985 the agency withheld three reports on the Nicaraguan rebels, or contra.

Mr. Stokes said one report disclosed the involvement of Richard V. Secord, a retired air force major general, in buying arms for the contra in March 1985; another said the air resupply operations began in November 1985, and the third mentioned arms shipments by South Africa to the rebels.

Mr. McMahon said that by providing a detailed map showing the position and strength of Iraqi forces to Iran, "We were tilting in a direction that could cause the Iranians to have a successful offense against the Iraqis with catastrophic results."

When the Iran-arms dealings became public, the president insisted that the Iranians were given only defensive weaponry and that none of it could affect the balance of the war. He did not mention that intelligence had been provided to Iran.

**North Aide Testifies**

Lieutenant Colonel Robert Earl, a former aide to Colonel North, testified that Colonel North told him as the Iran-contra affair unraveled that he had asked Attorney General Edwin Meese 3d to delay investigation, The Associated Press reported.

Colonel Earl said he helped Colonel North sort through documents and that he ripped up and shredded papers. Colonel Earl, a marine officer, said it was "a little unclear to me what exactly to look for, so I erred on the side of destruction."

He testified that Colonel North had learned that Justice Department officials wanted to come to their office to inquire about what was going on.

Colonel Earl said Colonel North told him he had asked the attorney general, "Can I have" or "Will I have 24 or 48 hours?"

"He told me the attorney general had said something like he didn't know whether he could have that much time," Colonel Earl said.

Mr. George said Mr. Casey pur-

suised some of the more dubious operations backed by the White House because he was sensitive to criticism that CIA operatives were timid and overly bureaucratic.

"Bill Casey was the last great buccaneer from OSS," said Mr. George, referring to the forerunner of the CIA. "He was dropping agents into Germany and France and saving lives when most of us were doing nothing. This was a great guy, Bill Casey, and he saw in Ollie North a part of that, and he liked Ollie. But you could get to Casey and say, 'Ollie is crazy,' and Casey would change his mind."

Among other disclosures in documents and testimony released this week was the testimony of Alan Pietsch, chief of the agency's Central America task force, that the CIA had failed to provide a complete set of intelligence briefings on Central America to the House intelligence committee.

Representative Louis Stokes, Democrat of Ohio, disclosed that in 1985 the agency withheld three reports on the Nicaraguan rebels, or contra.

Mr. Stokes said one report disclosed the involvement of Richard V. Secord, a retired air force major general, in buying arms for the contra in March 1985; another said the air resupply operations began in November 1985, and the third mentioned arms shipments by South Africa to the rebels.

Mr. McMahon said that by providing a detailed map showing the position and strength of Iraqi forces to Iran, "We were tilting in a direction that could cause the Iranians to have a successful offense against the Iraqis with catastrophic results."

When the Iran-arms dealings became public, the president insisted that the Iranians were given only defensive weaponry and that none of it could affect the balance of the war. He did not mention that intelligence had been provided to Iran.

**North Aide Testifies**

Lieutenant Colonel Robert Earl, a former aide to Colonel North, testified that Colonel North told him as the Iran-contra affair unraveled that he had asked Attorney General Edwin Meese 3d to delay investigation, The Associated Press reported.

Colonel Earl said he helped Colonel North sort through documents and that he ripped up and shredded papers. Colonel Earl, a marine officer, said it was "a little unclear to me what exactly to look for, so I erred on the side of destruction."

He testified that Colonel North had learned that Justice Department officials wanted to come to their office to inquire about what was going on.

Colonel Earl said Colonel North told him he had asked the attorney general, "Can I have" or "Will I have 24 or 48 hours?"

"He told me the attorney general had said something like he didn't know whether he could have that much time," Colonel Earl said.

Mr. George said Mr. Casey pur-

## Democratic Candidates Hampered by 'Seven Dwarfs' Image

By Maureen Dowd  
*New York Times Service*

WASHINGTON — The vote for president, the experts say, is the most personal one cast. So it is only natural that Americans want to fall in love with a leader they send to the White House.

This summer, judging by the amount of time spent chasing moonbeams and rumors and would-be and should-be and might-be candidates, the Democrats are longing for the perfect prom date.

The Democratic candidates are the good steady falls your mother told you to look for, the good providers you'll learn to love," Ann F. Lewis, a Democratic strategist, said wistfully. "But nobody here leads with emotion."

Or, to put it less delicately, as a Republican consultant, Roger Ailes, did: "If these guys were all on 'The Dating Game,' nobody would get picked. You don't get the feeling anybody's hanging loose and having fun."

But while some may have considered him too young, too Catholic and too tousled, Kennedy always had the fairytale glamour and the romantic flair that many voters crave.

Many reporters who have followed the Democratic candidates have remarked on the fact that, in private, they are as policy minded and colorless in their conversation as they are in public.

They sit on the side of the stage like

Hamlets basking in flattering baby spots and brooding about whether their ambitions are ripe. Or rotten, in the case of Gary Hart, sarcastically dubbed "the Dark Prince" by staff members of Patricia Schroeder, the Colorado representative who is exploring whether she should formally announce a candidacy.

Governor Michael S. Dukakis of Mass-

achusetts is more likely to talk about a subject such as the General Agreement on Tariffs and Trade, or not to talk at all — ignoring their companions in the car or the plane and pulling out abstruse economics.

While the active candidates slaved away in Iowa and New Hampshire last week, courting primary voters, it was Mr. Hart whose picture was smiling from newspapers, as reporters chased rumors that the fallen front-runner might resume his quest.

"We're out there slogging away at state fairs and beating our heads against the wall," Mr. McCurry said, "and people are more interested in whether Gary Hart's coming back early from Ireland."

Some analysts suggest the root cause of the continued yearning may be more complex than merely wanting what you don't have.

As a group, Mr. Ailes said, the Democratic candidates have taken on a bland image that is uncomfortably reminiscent of the sort of small shadow cast by Jimmy Carter.

Carter Eskew, a Democratic media consultant, suggests that Americans may subconsciously lose respect for anyone willing to put himself through the grind of a campaign.

"There are these wonderful towering figures outside the race casting a shadow on the playing field," Mr. Eskew said. "But the minute they become a candidate, they would shrink. There is this myth of the effortless candidate. Once a guy starts running, he's seen as grubbing for votes."

## U.S. Asserts Nicaragua Rigged Panel

Reuters

WASHINGTON — The government of Nicaragua appointed mostly its own supporters to the National Reconciliation Commission required by the Latin American peace accord and is only paying lip service to the accord, the U.S. State Department has asserted.

The Sandinistas have stacked the council in their favor," a State Department spokeswoman, Phyllis Oakley, said Wednesday. "At the same time, they are trying to maintain the appearance of compliance with the Guatamala accord."

The Aug. 7 accord required each of the five Central American signatories to set up such a committee. It also called for cease-fires between governments and rebels, an end to outside military aid and progress toward democracy.

Washington, which backs the guerrilla fighting the Sandinista government, has pledged to work for the agreement but wants the pact strengthened.

President Daniel Ortega Saavedra of Nicaragua named the four members of the reconciliation committee on Tuesday. They are Vice President Sergio Ramirez Mercado; Cardinal Miguel Obando y Bravo; Mamicio Diaz, head of the Popular Social Christian Party; and Gustavo Parajon, head of a Nicaraguan relief agency.

Mrs. Oakley said the United States was pleased to see the cardinal on the committee but she added that nothing but Sandinista rhetoric could be expected from Mr. Ramirez.

She described Mr. Diaz as the head of a party that favored the leftist government and said he and Mr. Parajon were "unlikely to deviate from the Sandinista line."

At the same time, however, she said the Reagan administration welcomed the government's decision to allow the return of three exiled Roman Catholic priests.

In Miami, one of the three Monsignor Bismarck Carballo Madrigal, who had been unable to return to Nicaragua since June 1986, said Wednesday that he would go to Managua in September.

**Managua Alleges Spying**

In Managua, the Reverend Miguel d'Escoto Brockmann, the Nicaraguan foreign minister, accused the Reagan administration of using its air and naval forces to spy on Nicaragua and asserted that American planes had been helping the anti-Sandinist rebels. The Associated Press reported.

In a protest note Wednesday to Secretary of State George P. Shultz, Father d'Escoto said the alleged spying and two recent rebel attacks showed that the United States was out to "frustrate" the peace plan.

July 21, 1987



A prison on the Italian island of Elba where 21 hostages were being held Thursday.

## Hostage's Release Demanded on Elba

United Press International

ELBA, Italy — Negotiators trying to regain control of a prison on this island said Thursday that six convicts holding 21 hostages had to release the sole woman among them before the authorities would even consider their demand for an escape helicopter.

The negotiations were being led by a neo-fascist leader, Mario Tuti.

The negotiators confirmed that after a captive guard was released Wednesday, 36 people remained in the infirmary. They were the six rebels, the 21 hostages, two other inmates who were being held.

The infirmary is on the fifth floor of the 17th-century fortress prison.

The inmates, all convicted mur-

ders, were being led by a neo-fascist leader, Mario Tuti.

The negotiators said that the only concession made in three days of negotiations had been to deliver newspapers, food and drink at regular intervals to a prison infirmary where the hostages were being held.

The infirmary is on the fifth floor of the 17th-century fortress prison.

The inmates, all convicted mur-

ders, were being led by a neo-fascist leader, Mario Tuti.

The negotiators said that the only concession made in three days of negotiations had been to deliver newspapers, food and drink at regular intervals to a prison infirmary where the hostages were being held.

The infirmary is on the fifth floor of the 17th-century fortress prison.

The inmates, all convicted mur-

</div

# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

## Toward the Treaty

### Two Steps Forward

In a curious speech on Wednesday, President Reagan challenged the Soviet Union to be more open about military spending just a few days after he made an important concession in the negotiations to ban medium-range nuclear missiles. Have the Russians, as is their traditional style, threatened to derail discussions with another last-minute demand? Or does Mr. Reagan aim to placate right-wing critics? Either way, something is cooking in Europe, and it smells promising.

The United States and the Soviet Union have suddenly come very much closer to the only arms treaty likely to be achieved in Mr. Reagan's eight years. In the intermediate-range negotiations so far, two major obstacles remained: 72 West German missiles with American warheads; that Chancellor Helmut Kohl insisted on retaining, and the question of how to verify an agreement. Mr. Kohl has now removed the Pershing-1A missiles as an issue, and Mr. Reagan has scaled back his demands for verification.

If Moscow accepts these concessions, there is not much left, but the fine print, assuming that Mr. Reagan can conquer objections from American conservatives that the treaty would not be absolutely verifiable.

It was the Reagan administration which, in 1981, first formally proposed zero-zero, the idea of scrapping both sides' medium-range missiles in Europe, perhaps in the belief the Russians would never accept. The plan required the Soviet Union to give up 1,300 warheads; the United States only 300.

Six years later, Mikhail Gorbachev has accepted not only that, but has agreed to give up 130 shorter-range missiles in Europe, of which the United States has none. The Russians' price was that the 72 shorter-range West German missiles also be scrapped. When Mr. Kohl supported the outlines of the American-Soviet deal three months ago, he said his missiles could not be included. The decision, Washington said, was his, but it has proved hard to stick with. Mr. Kohl's opponents called for a debate on the issue next month. On Wednesday he said he would abandon the weapons once American and Soviet missiles were dismantled.

The missiles at issue are small and mobile. How can any treaty be verified? The Reagan administration has repeatedly accused the Russians of violating arms accords. Its stringent conditions would have opened every door in the Soviet Union. But the same conditions would open every U.S. factory to Soviet inspectors.

The White House has now modified its terms, cutting down on short notice challenge inspections. Its reason: The Soviets have now agreed to no missiles, a condition easier to verify than the previous position of retaining 100 on each side. Since routine inspections are probably more workable, little is lost by this concession to realism.

But the shift may open the administration to the charge from conservatives that the treaty is now unverifiable. They will doubtless seek to prevent Senate ratification by resurrecting the administration's own

charges of Soviet cheating. These critics have a point. The number of missiles the Russians have deployed in Europe is quite accurately known, but the number of spares is not. Counting the missiles destroyed could not guarantee that none were left. But absolute verification is probably impossible, and scrapped missiles would lose viability over time.

The more important question is whether the benefits of a medium-range missile treaty outweigh the risks. The administration, despite its previous frenzy over Soviet cheating, has judged correctly: They do.

—THE NEW YORK TIMES.

### A German Decision

The pace is quickening in efforts to conclude a first arms control agreement in the Reagan-Gorbachev era and to make possible another, perhaps early summit between the two leaders. On Wednesday a major contribution to that double end was made by West German Chancellor Helmut Kohl.

Kohl fell to Mr. Kohl to act because of the peculiar role that the Federal Republic plays in Soviet-American negotiations on a treaty to eliminate all of both powers' intermediate-range missiles. The Germans are not at Geneva. But they have 72 Pershing-1A missiles whose dismantling the Soviets have demanded on grounds that the missiles carry American warheads. Rightly and necessarily, the United States has refused to negotiate away the arms of an absent ally. NATO is an alliance whose members' quiet but abiding fear is that their interests will be shorted in a great-power deal. On this wicket the Geneva talks were stuck until Wednesday.

Mr. Kohl did not want West Germany — or, within the German political scene, himself or his party — to bear the onus of obstructing an agreement important to West Germany's chief patron. Not did he want to be held responsible for taking something away from his country's sovereign interest by surrendering easily on the Pershings. So he crafted a rather elaborate position whose essence is 1) The Pershing decision is a West German decision and 2) his government will undertake to let the 72 missiles die a timely death of obsolescence during the period while the great powers eliminate their own intermediate-range missiles.

The debate over removing missiles of this class has always hinged, in a technical sense, on the issue of "coupling." If this class is removed, the argument goes, it may knock out a key rung of the ladder of flexible response, forcing upon the United States an impossible choice of surrender or Armageddon in a crisis and thereby decoupling Europe from the American nuclear guarantee.

Germans, and not only Germans, ponder this question. Chancellor Kohl has decided, nonetheless, that the kind of coupling offered by retaining intermediate-range missiles is less valuable than the kind of coupling provided by deepening political cooperation and understanding. It is a difficult choice but a wise choice that is bound to repay the Federal Republic in American respect.

—THE WASHINGTON POST.

## As Foreigners Back Off

Again the dollar's exchange rate has been sliding downward, conveying a message that Americans don't want to hear. The slide is another signal that the United States is borrowing too much and spending too much on current consumption. But with a presidential election campaign getting under way, nobody — least of all anyone at the Reagan White House — intends to do much about it.

The dollar sank low last May, then was buoyed by fears of trouble in the Gulf and of the possible effects of another oil crisis on Japan and Europe. That continued until the middle of this month, when the latest batch of trade statistics swung bankers' attention back to the American trade deficit. The dollar has not yet fallen quite to the levels of last spring, but it has gone down sharply in the last two weeks. Governments bravely talk as though they controlled the exchange rates, but in fact they do not.

Consumers' spending, the U.S. government reports, rose rapidly in July for the second consecutive month. It went up much faster than the same consumers' incomes, which means that they were saving less than ever. The great consumption boom is con-

tinuing, and the United States as a society is not saving nearly enough to provide for the business investments necessary to keep the economy growing. The shortfall has been made up by foreign investors, but, some time ago, with the growing American debts and the comparatively low American interest rates, they began backing off. That is the underlying reason for the long decline in the dollar's exchange rate.

The Reagan administration's economic policy is going to be remembered for its easy toleration of its crashing inconsistencies. The most familiar example is the inconsistency of a balanced budget, higher defense spending and lower taxes. Similarly, the administration stands for high consumption, low savings, balanced trade and a stable exchange rate. Smiling affably, it refuses to choose among them. It prefers to leave the solution to the market. But the market, unfortunately, generally restores consistency through a recession. There is doubtless a better way to steady the dollar and balance American trade, but no one seems to be looking for it very hard.

—THE WASHINGTON POST.

### Other Comment

#### More Repression in Kenya

The detention without trial of Paul Aminu, a Kenyan journalist who supplied the Western press corps in Nairobi with court reports on politically embarrassing cases, is another worrying sign of a country which was once seen as an exemplar for African democracy. There seems little doubt that Mr. Aminu has been silenced simply because he did his professional job too well. This marks a new notch on Kenya's ratchet of repression.

Its record of intolerance in dealing with political dissenters was well documented in last month's report by Amnesty International, which chronicled allegations of the arrest of hundreds of possible dissidents over the past 14 months, the unfair trial of some 70 people who had been tortured to extract false confessions, and the detention without trial of those who refused to con-

—THE CHICAGO SUN-TIMES.

#### INTERNATIONAL HERALD TRIBUNE

JOHN HAY WHITNEY, Chairman 1958-1982

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER, Co-Chairmen

LEE W. HUEBNER, Publisher

JOHN VINOCUR, Executive Editor • WALTER WELLS, News Editor • SAMUEL ABT, KATHERINE KNORR and CHARLES MITCHELLORE, Deputy Editors • CARL GEWIRTZ, Associate Editor • ROBERT J. DONAHUE, Editor of the Editorial Page

RENE BONDY, Deputy Publisher • ALAIN LECOURT and RICHARD H. MORGAN, Associate Publishers • FRANCOIS DESMAISON, Circulation Director • ROLF D. KRANEPUHL, Advertising Sales Director

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel: (1) 46.57.93.00. Tel: Advertising, 613595; Circulation, 612322; Editorial, 612716; Production, 630698.

Editor of the publication: Walter N. Thayer.

Editor for Asia: Michael Richardson, 5 Connaught Rd., Singapore 0511. Tel: 472-7768. Tel: R586928

Managing Dir. Asia: Walter Wells, 50 Gloucester Road, Hong Kong. Tel: 8310516. Tel: 61170

Managing Dir. U.K.: Robin MacKinnon, 63 Long Acre, London WC2. Tel: 836-4802. Tel: 26009

Managing Dir. U.S.: Robin MacKinnon, 15,000 Franklin Rd., Tel: (202) 726-7333. Tel: 467-7213

Gen. Mgr. W. Germany: W. Lammert, Friedrichstrasse 15, 8000 Berlin, Tel: (030) 267-7333. Tel: 467-7213

Pres. U.S.: Michael Richardson, 899 Third Ave., New York, N.Y. 10022. Tel: (212) 731-8800. Tel: 427-1753

© 1987, International Herald Tribune. All rights reserved. ISSN: 0294-8032.

# OPINION

## Gulf Policy: Send a UN Task Force to End the War

By William R. Polk

VENGE. France — Even more dangerous than the mines floating in the Gulf are those that the Iranian revolution has begun to sow throughout the world. Race, religion, politics, military strategy and economics are the explosives which make them up. Coping with them will be far more hazardous than dealing with the actual mines in the Gulf.

Historians and former planners of U.S. policy, like this writer, enjoy the luxury of saying "We should not have done X and should have done Y." Such reflection has its value, but we have a more immediate task. It is to decide what really is America's interest and how least dangerously and least expensively to protect or enhance it. I do not believe that we have yet hit on the right answers. Here I will offer what I think are better guidelines.

What is America's interest? Freedom of the seas? Yes, but it is neither America's exclusive interest nor one of uniform importance. It is shared with other powers. When they choose not to uphold it, America need not always and everywhere feel that it has to do so.

A failure to make this sort of distinction has

cost the United States dearly in dealing with allies in the past. Often it has said, in effect, "Get out of the way. We will do the job." Then it rushes forward when they choose, rightly or wrongly, to lag behind. America thus has often put aside the role of leader of the free world to become its self-appointed adjudicator.

The Reagan administration asserted that navigation in the Gulf was vital to American national interest. Is it? The statistics cast doubt. Most of the oil goes to Japan. Most of the rest goes to Europe. Practically none is owned by U.S. companies. To get U.S. ships at risk, the administration had actually to acquire them — "reflagging" Kuwaiti tankers — so as to acquire the risk.

When America's NATO allies refused its request for assistance to help sweep the Gulf for mines, it rushed headlong in, even without adequate anti-mine protection. For this it paid a price and could have met a disaster. Now, thanks primarily to short-sighted Iranian aggressiveness, not to U.S. diplomacy, Britain and France are sending ships to help clear the mines. Britain, in fact, has been quietly protect-

ing its ships since the tanker war began in 1983.

Why did Americans rush in? The timing suggests that it was to keep out the Russians. The Reagan administration is still unwilling to acknowledge either that the Soviet Union is a world power or that there may be places in the world where the two powers can profitably cooperate while they peacefully compete.

This is a trap the United States has built for itself and into which it has fallen before. It occasionally does what it really does not wish to do because it is afraid the Russians will. But is America willing to rush into every danger spot in the world, at any cost, pre-empt all of the world's disasters and threaten war if the Russians are foolish enough to want to share them?

Indeed, by successfully keeping the Russians out, the United States puts them in a position to offer irresponsible alternatives so that when, as must often happen, American policies fail or are not fully satisfying, governments in the Third World can switch sides. The early master of this policy, President Gamal Nasser, called it "balanced exploitation." When you have given what

you will, or have failed, the recipients of your bounty or power can turn to the uninvolved Soviets for a new injection of aid or support.

What then is the real U.S. interest? The founders of the republic put it clearly: to fashion an environment in which Americans and their friends can protect their lives and liberty and pursue happiness. The war in the Gulf threatens these vital interests in three ways: It could spread. America's alliances could be weakened and the world economy could be disrupted.

The war has wiped out almost a whole generation of young Iraqis and Iranians and has cost hundreds of billions of dollars worth of treasure and lost opportunities. It now spills over into the Arabian peninsula and Lebanon and threatens to engulf the rest of the world.

We must stop it before it does.

In doing so, America must not seem irresponsible or foolish to its allies. "Going alone" in the Gulf, even if locally successful, could turn out to be a very expensive global policy.

The Gulf affects the world economy by providing oil and investing the money it earns. These used to be the highest priorities but are less important today. America is less troubled about Iraq's survival than by the degree of its success. The European powers have alternative sources of energy and are now sufficiently strong and well organized to look to their own interests. America is not their keeper. Finally, to the surprise of many, America has an oil industry of its own, now in virtual collapse, which needs attention.

There are things to do and not to do to protect these interests. Here is my list.

What not to do:

• Escorting foreign tankers with oil for reluctantly allies past mines and under threat from missiles and high-speed torpedo boats manned by latter-day kamikazes is the wrong policy in the wrong place and under the wrong flag.

• Selling arms to Iran is self-defeating. Worse, selling arms that enable Iran to neutralize the two weapons on which Iraq depends to protect itself, tanks and aircraft, has increased the possibility that Iraq might win the war. If Iran wins, it would control the world's largest pool of oil (including the estimated 150 billion barrels in southern Iraq) and could probably export its revolution to Kuwait, Saudi Arabia and other areas. This would amount to a glacial shift in world power with unpredictable dangers. Even if it does not actually win, a stronger Iran would be unwilling to negotiate.

• Casting America as Gary Cooper in "High Noon," when allies hang back, may be good cinema but is questionable policy. It embarrasses friendly governments to be told, as John Foster Dulles used to do, to "stand up to be counted."

What to do:

It is essential to end the war. America can do so with the help of its allies in a responsible, cooperative way. Actually it has taken the first step at the United Nations (and has won unanimous approval in the Security Council) with a resolution calling for a cease-fire and negotiations. Iraq has accepted and Iran has not refused.

Now Washington can move to implement that resolution by asking the Security Council — or if it is blocked there, as in the Korean War, the General Assembly — to create a naval task force, in which U.S. ships might play the major or even the sole role, to be stationed outside the Strait of Hormuz with orders to prevent any shipping from passing to or from a country which does not accept and implement the resolution.

No policy is without danger; and if the clock could be turned back some months this would not be my first choice. But from where we are, and in comparison to what is now being done, the risks are small and the rewards for the West and the warring parties are potentially vast.

The idea has a considerable chance of success. Iraq would comply and Iran has shown that, beyond rhetoric and display, it has a shrewd sense of timing and self-interest. Its leaders know that they could not continue the war if they could not export their oil. Furthermore their kamikaze would have no military targets, as the task force would be out of range of their missiles and speedboats.

This plan need not preclude the British and others from continuing to protect their shipping. In a broader context, it might even serve as a model to make the now ineffective United Nations more respected and more useful.

The Gulf war has already cost at least a million casualties and hundreds of billions of dollars worth of physical resources. It is time to stop it. This policy might do so.

The writer, author of books on the Middle East, taught at Harvard and was director of the Middle Eastern Studies Center at the University of Chicago and a member of the Policy Planning Council in the Kennedy and Johnson administrations. He contributed this to the International Herald Tribune.

## Gulf Policy: Mine Iran's Waters and It Will Relent

By Les Aspin

The writer, a Democrat from Wisconsin, is chairman of the Armed Services Committee of the House of Representatives.

WASHINGTON — The United States has three options in the Gulf: clear out, retaliate against Iran or stand there and let the Iranians pummel us.

The option of clearing out was debated at length and rejected in the House of Representatives in July by a 2-to-1 margin.

Standing there and letting Iran pummel us is current administration policy. It raises the odds that one of these a mine or a terrorist bomb or some other attack will take a heavy toll of American lives.

Retaliation is the course we should follow. Right now, Iran risks nothing by kicking us here and punching us there. Its campaign of mining the Gulf comes free. There is no reason why it should not continue to place mines — and eventually to place mines — and eventually to stand a chance of sinking an American warship, with the loss of possibly hundreds of lives.

The United States needs to show Iran that mining is not cost-free, because as long as it is, Tehran will have every reason to keep doing it.

How might we rationally retaliate? Iran has a great idea: mines. If an "invisible hand," to quote Mir Hussein Moussavi, the Iranian prime minister, can plant mines on the western side of the Gulf, where our ships sail, then some other invisible hand could plant mines on

the eastern shore, where all the vessels are under Iranian control.

The key point to communicate is that we are running out of checks to turn every time Iran hits us. America must communicate the will to respond in a way that will hurt the Iranians. If they wish to persist in mining, they should know that they cannot win. Mines placed around two Iranian islands could shut down 100 percent of Iran's oil exports, eliminating 95 percent of its foreign exchange earnings.

Retaliation, however, is not a complete policy. We need to hold a carrot and a stick. The stick is retaliation. The carrot is to let Iran achieve what it wants — a reduced superpower presence in the Gulf — if it acts more responsibly.

The United States should tell the Iranians that every few months it will review what is happening in the Gulf region. Have more mines or fewer been found? Are attacks on shipping increasing or decreasing? Is the Iran-Iraq ground war building up or slackening? Has some new threat emerged or have some old ones gone away? If life is turning quieter, then

America will have a good reason to retaliate down its present.

There is one more thing to do: Build pipelines. Iran gains leverage in the Gulf region because the Strait of Hormuz, through which so much of the world's oil passes, has strategic significance. Egypt once had that kind of leverage with the Suez Canal. Then along came the supertanker, which had no need for the canal, and Egypt lost its leverage. Pipelines are to Iran's advantage what the supertanker was to President Gamal Abdel Nasser of Egypt.

Three pipelines could carry most of the oil produced by the Arab states of the Gulf to points outside the strait. That would leave Iran as the one Gulf state dependent on the strait. Then the str

## OPINION

## Don't Laugh at Reagan For Changing His Tune

By Tom Wicker

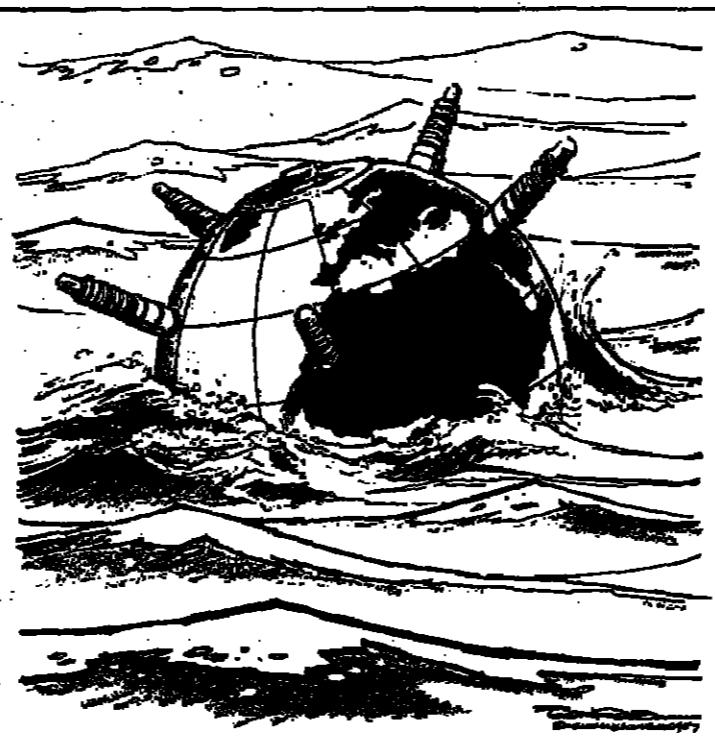
**N**EW YORK — President Reagan has decided to back away from his tough-guy demands for on-site verification of the proposed Soviet-American treaty banning medium- and short-range missiles. Advocates of arms control, if tempted to laugh in derision, should stifle the impulse.

The temptation may arise because on-site inspection has been for so long a club with which hard-liners liked to beat the Russians over the head. Now it is the United States refusing to accept such inspections on its territory, and for the same reason that the Soviet Union used to give — they would offer opportunity for spying by the other side.

The inspections that Mr. Reagan originally proposed may well have been offered because his administration at one time believed that the Russians never would accept them — so no treaty could be agreed upon. That would be in keeping with the record as far back as the Truman administration, when the so-called "Buchen Plan" for international control of nuclear weapons included intrusive inspection provisions that Stalin's Soviet Union obviously would not accept.

Nevertheless, the temptation to laugh has to be resisted. Mr. Reagan's about-face is now on an important step toward the medium- and short-range missile treaty. It will also improve prospects for more far-reaching agreements by helping a suspicious American public to understand that what President Nixon called "adequate" — not infallible — verification suffices for national security.

The inability of Nikita Khrushchev's government and the Kennedy administration to agree on the number of permitted on-site inspections prevented conclusion of a comprehensive test ban treaty a quarter century ago. On-site



## LETTERS TO THE EDITOR

## Mecca: All Blame Shouldn't Fall on Iran

In response to the opinion column "An Eyewitness Account of Mecca's Bloody Afternoon" (Aug. 24) by Moushaid Hussain:

While the international press has at times tended to blame the Khomeini regime and, unfortunately, the Iranian people for actions that cannot justifiably be attributed to them, there can be little doubt that the present Iranian government has repeatedly tried to use this ugly occasion to present its political message to Moslem pilgrims.

According to Mr. Hussain, Iranian demands this year during the negotiations with Saudi officials before the demonstration, were substantially the same as in previous years; and Saudi riot police provoked trouble by stopping the Iranian procession, which had hitherto remained peaceful, some 500 meters from the agreed-on termination point. If so, then the Saudi government must also be held responsible for what happened.

MORAD KHAVARY, London

Of the 19 paragraphs comprising Mr.

Hussain's article, not more than nine could have arisen from the direct observations of the writer. Of these nine it is difficult to assess the validity because the writer did not provide the contextual framework through which he compiled his account — whether or not he speaks Arabic or Persian; where he was positioned during the melee so as to be able to see the events so clearly; and what non-Iranians, if any, he interviewed before reaching his conclusions.

Also this account of the unfortunate events of July 31 failed to shed light on the following questions:

Why did the Iranian faithful be used as a reason for a revenge attack, not only on embassies in Tehran but on Saudi Arabia, Kuwait, the United States or some other enemy of the Islamic revolution? And the Khomeini regime could not be allowed to get away with an attack on a third country unpunished.

But in view of the ability of Ayatollah Ruhollah Khomeini to turn such events around in his favor, all punishments, including military action, would have more drawbacks than advantages. Instead of being intimidated by the ayatollah, the solution is for Iran to be governed by a moderate, democratic regime

**N**EW YORK — Recently, I have become aware that I am missing a lot and that each day I fall further behind. It's not that I don't understand the issues under discussion and am therefore overwhelmed by the enormity of the problems facing the world. They are, after all, merely updated versions of the same old issues that have always been around: plague, pestilence, famine, war, sex, drugs and rock 'n' roll.

It is not even that I am a member of a group whose opinions are rarely sought by the public and so am suffering from a larger dose of powerlessness than usual. We the middle-aged, middle-class housewives of America were never in the vanguard of the movers and shakers.

But more and more lately I don't understand words. They are gradually being completely replaced by jargon.

I am not referring to teen-age slang, which changes almost daily. (*Nerd* and *geek* are code words of a group that would ignore my existence in any circumstances.) I am referring to adults allegedly communicating information to other adults. Jargon is proliferating at a scary rate. Next to money, jargon is

replaced, to my knowledge. My solution is called SCWAWRP.

The word lacks the sparkle of CARE, NASA or SEATO, but will have to do. A catchy acronym is vital for getting new jargon off the ground. If pushed to the wall, I might claim that the letters stand for Senseless Confection of Words and Abstractions Without Reason and Point.

The fear of sounding ridiculous is a stumbling block almost impossible to overcome. After all, as a middle-class, middle-aged house (mcmah) reared in a simpler linguistic tradition, the handy all-purpose reassuring cliché (hure) is more my métier. But it must be overcome. Under the new rules, the more obscure the nomenclature, the better.

Here is an example of how SCWAWRP can be utilized to upscale even the most tedious of descriptions: the recitation of my morning activities.

First thing in the morning (firm). I engage in preparing a comestibilization (preppoc) or, alternatively, nutrient distribution relief (nudr) prior to deteriorally reperceivating the family's galactic necessities. While the wash is in the machine, I open my <1 to megastation inputting audio, video, and print modes so I may might better be prepared to upshare experimental data.

It sounds awful, doesn't it? But is it any worse than hearing that someone you love is booting up his DOS and formatting his bauds, bytes and modems?

I had a dream, a nonconscious ephemeral manifestation (acem): it was not so lofty as some, but then, neither am I. I dreamed that I was asked an opinion about something more lasting than last night's dinner (presup) and I gave that opinion in pure SCWAWRP.

Where at first only bare civility and bored patience toward an undeserving mcmah existed, suddenly attention was paid. Eyes sparkled. Note pads were produced and every meaningless syllable was recorded for an avid posterity (utgen) as I babbled abbreviations, bastardized words and synthesized never-heard combinations of prefixes and suffixes.

My dream was replicated almost exactly on the 6 and 11 o'clock news, but this time it started three statements. Not every dream that comes true should come true.

The writer is a former English teacher in Brooklyn. She contributed this lament to The New York Times.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

## Keep the Guard Up

**T**HE new U.S. plan for monitoring a pact with the Soviet Union on short- and medium-range nuclear missiles, which includes less stringent verification procedures, raises an obvious question. With whom does the administration think it is dealing? These are the Soviets. Mr. Reagan, that "evil empire" you were telling us about so long ago, it would be well to keep that in mind.

America is entering a dangerous period in arms negotiation with a country that has not hesitated to break or circumvent an international agreement when that seemed to be to its advantage. That is why the Soviets really want this treaty, they will accept the latest U.S. proposals on verification. Naturally they will haggle over minor points. But in the end they will sign. Any administration can do when the treaty goes into effect will be to fasten the seat belts and keep its guard up.

—Syndicated columnist Drew Middleton.

## GENERAL NEWS

## Reagan Seeking the Offensive

## Speech Is Seen as Response to Gorbachev Initiatives

By R. W. Apple Jr.  
New York Times Service

**WASHINGTON** — President Ronald Reagan gave a speech without a punch line Wednesday, a speech that seemed to be building up to the disclosure of some important development in relations between the United States and the Soviet Union, but did not.

Mr. Reagan's review of East-West affairs was far more balanced than those he delivered on the subject four or even two years ago.

But it reflected ingrained skepticism about the possibility of doing business with the Kremlin, even at a time when arms negotiations seem to be going well and the new Soviet policy of *glasnost*, or openness, seems to some Western analysts to offer rich opportunities.

"While talking about reforms at home, the Soviet Union has stepped up its efforts to impose a failed system on others," Mr. Reagan said. But only a few sentences later he added: "We are also seeing a new Soviet leadership that appears more willing to address the problems that have divided East and West so long and to seek agreements based on mutual benefit."

Mr. Reagan made only a passing reference to a statement Wednesday morning by Chancellor Helmut Kohl of West Germany in which Mr. Kohl said that if Moscow and Washington reached an agreement on medium-range missiles, Bonn would dismantle its Pershing-1A missiles.

Those weapons have been described by Soviet spokesmen as the principal impediment to a treaty on medium-range missiles, but the president called the issue an "artificial obstacle" that was "without foundation."

## Belgian Excludes NATO Post

**BRUSSELS** — Foreign Minister Leo Tindemans was quoted Thursday as saying he was not a candidate for the post of secretary-general of the North Atlantic Treaty Organization.

His comments, in an interview with the Flemish newspaper De Standard, followed the announcement Wednesday that West Germany was nominating its defense minister, Manfred Wörner, for the top NATO job.

Mr. Tindemans, 65, said he was aware of rumors that he was interested in succeeding Lord Carrington as head of NATO.

next year, but added: "I have never been a candidate, and I do not plan to be one. Why should I leave my post of foreign minister? I find it fascinating."

Lord Carrington will step down in June after four years as secretary-general of the 16-nation alliance. His successor may be named at a meeting of NATO foreign ministers in December.

Mr. Tindemans, a former prime minister, praised Mr. Wörner's knowledge of military affairs but declined to say whether he would have the backing of Belgium.

So far, the only other declared candidate is Kaare Willoch, a former Norwegian prime minister.

## EUROPEAN TOPICS

## Jews Massacred in '46 Honored in Poland

Hundreds of Polish and American Jews gathered in the southern Polish town of Kielce on Sunday to dedicate a monument to 42 Jews who were massacred on July 4, 1946, a year after World War II ended. They were among the Holocaust survivors who had returned home in the hope of finding relatives, only to be killed in what is sometimes called Europe's last pogrom. Ninety-nine percent of Kielce's Jewish population of 27,000 died in the war.

The 1946 killings were said to have been sparked by a rumor that Jews had kidnapped a Christian boy to get blood for matzoh, the unleavened Passover bread.

The ceremony was the result of a campaign by William Mandel, a death camp survivor. He returned to his native city six years ago and was shocked to find that the Jewish cemetery, where the remains of the 42 victims lie, was an abandoned plot of land on which children played among the graves.

Mr. Mandel spent six years wrangling with the Polish authorities and raising funds to clean up the cemetery and erect the simple stone monument, carrying the writing in Polish: "Here rest the ashes of the 42 victims of their memory." The ceremony marked the 45th anniversary of the beginning of the deportation of Polish Jews to the death camps of Treblinka, Belzec and Sobibor.

## Around Europe

The Greek government has withdrawn a law transferring the Greek Orthodox Church's land and property to farm cooperatives and government authorities.

Church officials called the decision their "first victory" in a show of strength with the government. The law, which was adopted by Parliament in April, called for the expropriation within six months of 350,000 acres (about 140,000 hectares) of forest and farmland owned by 470 monasteries and convents. The Orthodox bishops, opposing the takeover, had appealed to the State Council and threatened to sever the church's links to the state if the conflict was not resolved by Oct. 1. The minister of education and religion, Antonios Trifis, said the law was withdrawn to allow the government to modify it.

For the first time ever, Spanish women will be allowed to join the Civil Guard, Spain's paramilitary



PREOCOCIOUS PUNK — A model displays dolls adorned with punks' tattoos and chains. They are to be shown at a consumers' fair opening Friday in Hamburg.

force. Luis Roldan, the head of the Civil Guard and first civilian ever to command them, said 150 women would be recruited early next year to work in areas of intelligence and administration. Mr. Roldan said his plan to modernize the Civil Guard also included new uniforms for the force, and the guards' three-cornered hats would be replaced by hats similar to those worn by the army. During the Franco dictatorship, the Civil Guards had become a symbol of repression to many Spaniards.

An election poster showing the Danish Social Democratic party leader, Anker Jorgensen, looking like James Bond, pointing a rose instead of a gun — at a seductive blonde, may hurt his party's finances. Enthusiastic young Social Democrats, preparing the campaign in Denmark for the Sept. 8 elections, copied the poster of the latest 007 movie, "The Living Daylights," but forgot to ask permission from the U.S. producer, United Artists, a unit of MGM/UA Entertainment Co. The company's European distributor said the poster should be withdrawn and said that it may sue the Social Democrats for damages.

French border policemen stationed in Perpignan were in for a surprise when they checked a small van entering the country

from Spain. Sixteen Turks climbed out of the back of the Renault-4, a tiny van about the size of an elevator. It took two police vans to take the 14 men and two women, all illegal immigrants, to the city police station.

## Power to the Parents

Scots parents may soon be given extensive power to run the schools their children attend. Michael Forsyth, Scotland's education minister, has outlined a plan to establish school boards in which parents would hold a majority and would be involved in all aspects of running the school. They would also be represented on senior staff appointment committees.

The boards would have the right to veto the appointments of principals and to control expenditures and the use of premises out of school hours. Every school with more than 100 pupils would have a board of seven to 13 members, depending on the school's size.

Mr. Forsyth said the proposals were "revolutionary" and responded to "the demand from parents for more say in the running of their schools." Mr. Forsyth said he hopes Parliament will approve the bill by next fall.

—SYTSKE LOOLJEN

## Save 40%

or more off your newsstand price when you subscribe for 12 months to the International Herald Tribune.

Take advantage of our special rate for new subscribers and we'll give you one extra month of Tribune free for each six months you subscribe.

Total savings: 40% or more off the newsstand price in most European countries.

— Herald Tribune

To: Subscription Manager, International Herald Tribune, 181, Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

Please enter my subscription for:

12 months (+ 2 months free)

6 months (+ 1 month free)

3 months (+ 2 weeks free)

My check is enclosed.

Please charge my:

Access  American Express

Diners Club  Eurocard

Mastercard  Visa

Signature \_\_\_\_\_

Card expiry date \_\_\_\_\_

Card account number \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ Country \_\_\_\_\_

Tel. \_\_\_\_\_ Telex. \_\_\_\_\_

28-8-87

\* In these countries, hand delivery is available in major cities on the publication date. For details and rates, please check here and fill in your address.



International Herald Tribune

JULY 1987

## TRAVEL

- An Island Off Ireland
- A Grand Hotel in Zurich
- Garlic With Everything

## TRAVELER'S CHOICE

## Trans-Siberian Language School

The vastness of the Soviet landscape has always caused problems for the traveler, ranging from starvation to boredom. To help solve the latter condition, English-speaking travelers may now study Russian language and Soviet culture, literature, geography and history, all while rolling through the Soviet Union on the Trans-Siberian Railroad on special 15-day trips that start and end in West Berlin. Travelers may choose different routes in the Soviet Union. For example, one itinerary includes Moscow, Irkutsk, Lake Baikal, Khabarovsk and Leningrad. There are altogether 30 hours of Russian instruction built into the program, which should, according to the organizers, enable students to hold basic conversations by the end. A tour costs about \$1,500, including the plane fare from Berlin to the Russian starting point, train fare, meals, hotel rooms, visas, Russian lessons and the return trip to Berlin. First-class train compartments cost about \$250 extra. For information contact the organizer, Hans Engberding, at Lernreise-Reisen, Ebersstrasse 27, 1000 Berlin 62. Tel: (30) 784-4745.

## U.S. to Scotland Nonstop

Nonstop 747 service between Newark International Airport and Scotland is now being offered by Highland Express Airways, a new Scottish airline. The flights eastbound each day except Monday, depart at 6:45 P.M. and continue from Prestwick Airport to Stansted Airport near London or to Birmingham on alternate days, for \$1 more. Westbound flights leave Prestwick at 1:45 P.M., also daily except Monday. Fares start at \$178 one way, for a ticket bought within 48 hours of departure. The return flight can be left open or booked at time of purchase. The unrestricted one-way fare, \$249 on weekdays and \$269 on weekends to Scotland and \$1 more to London or Birmingham, drops to \$209 on weekdays and \$229 on weekends starting Sept. 16 for westbound travel and Oct. 1 for eastbound flights. Northwest Airlines, which provides the only other nonstop service between the East Coast of the United States and Scotland, offers four flights weekly from Kennedy International Airport to Prestwick and four more from Boston. Northwest responded to Highland Express's fares by offering a \$478 round-trip fare on weekdays, \$538 on weekends, for travel beginning Sept. 15. Tickets must be purchased 21 days in advance.

## Palace on Wheels

From the first week in October to the last week in March, travelers to India can book passage on that country's version of the Orient Express. The train, called the Palace on Wheels, consists of 13 private deluxe saloon cars. Each belonged at one time to the maharajahs and viceroys of India, and sport velvet furnishings, ornamental ceilings, polished teak walls and carved wood furniture. Passengers travel for eight days and seven nights through the northern states of Rajasthan. After a ceremonial welcome at each station with music, traditionally garbed Indians and decorated elephants, passengers are taken from the rail station to historic sites and into local cities. The trip begins in New Delhi, goes to the capital of the state and then to the ancient city of Udaipur, taken in five other cities and ends at the Taj Mahal. The train travels mostly at night so days can be given over to sightseeing. The whole trip costs \$320 double occupancy. Reservations can be made through travel agents or directly through the Rajasthan Tourism Development Corporation. Information from India Tourist Office.

## Jewish Safe House in Holland

The Anne Frank House in Amsterdam is not the only building that recalls attempts to conceal and rescue Jews during the Nazi occupation. In Haarlem, a 20-minute train ride away, the small house of clockmaker Willem ten Boom was a center for hiding Jews. What happened at 19 Barteljoristrat has been recorded by the clockmaker's daughter Corrie ten Boom in her book "The Hidden Place," and now the house is being turned into a museum, with the clock shop and ingeniously built concealed top floor authentically restored. The official opening is not until April next year, but it can be visited in the interim.

Information from the Corrie ten Boom Foundation, P.O. Box 2237, 2002 CE Haarlem, The Netherlands.

## Korea's Cabbage Museum

America has a McDonald's museum and France a wine museum. Now, South Korea has a shrine to its national food: pickled cabbage. Called kimchi, the spicy, fermented vegetable dish is a breakfast, lunch and dinner affair. "A meal without kimchi," said one recent visitor to the new Kimchi Museum in central Seoul, "is not regarded by Koreans as a meal at all." But as fast-food chains have multiplied and sales of instant noodles have skyrocketed in South Korea, the long-time family tradition of growing the ingredients and preparing the kimchi has gone into decline. While kimchi culture is still pervasive in Korea, Lee Hoon-suk decided that its pungent lore be preserved, so he rented an old mansion and opened the museum. "The young people do not like making kimchi now," Lee said recently as he showed a visitor the 36 plastic replicas of kimchi displayed in a glass case. There are 200 kinds of kimchi, but Lee says he only has 10 more models on order now. His worry is that kimchi is being replaced as a staple Korean food, and the rhythm of traditional life, marked by the change of the seasons and the reaping of the cabbage, is being disrupted. "Kimchi has become a TV food," he said sadly.

## African Museum to Reopen

A \$73-million building to house the National Museum of African Art will open in Washington on Sept. 28. The museum, a division of the Smithsonian, has been closed since last summer when it moved out of a row of town houses on Capitol Hill. The new complex, almost all of which is underground, is near the National Air and Space Museum and will provide the African Art Museum with five times its previous exhibition area. The museum has a 6,000-piece collection including ceremonial masks from Angola, copper vessels from Lower Niger and small figures from Zaire. Among temporary exhibits set for the fall are textiles from West Africa, metal sculpture from Benin and "African Art in the Cycle of Life," a demonstration of how art reflects life stages.

## Rudyard Kipling's Country House



John Bennett/The National Trust

by Irvin Molotsky

**W**HAT a splendid Victorian Rudyard Kipling was. When he was not in India gathering material to give the British pride in their greatest imperial holding, he was elsewhere in the empire, even venturing to a former part of India and living for four years in Dummerston, Vermont. But in the last three decades of his life, whenever he could, he went to that other great symbol of England, his country home.

Batemans is in East Sussex in southern England and is now a holding of the National Trust, and while it is by no reckoning among the greatest of the English country houses, it is a fine old place and there are memories of Kipling and India everywhere.



The National Trust

## Detail of leather paneling.

In every room, it seems, there is a book opened to that most evocative of Kipling poems, "Mandalay." My otherwise dependable guidebook, the Automobile Association's "Treasures of Britain," manages to grudge Bateman's just three and a half lines.

We were in East Sussex and Kent at just the right time, during the spring. It was in May and the fruit trees were in glorious white and pink bloom, and the ripened flowers seemed to cover half the hills in the countryside.

Kipling lived in Bateman's, which is south of the village of Burwash, from 1902 until his death in 1936. By the time he bought Bateman's, he was already a famous writer, with "Kim," for example, appearing in 1901, "White Man's Burden" in 1891 and "The Jungle Book" in 1894. Great fans of Kipling will remember having read Bateman's in his "Puck of Pook's Hill," written in 1906.

"Gunga Din" and "Mandalay," both

from 1890, came at a time when the British did not question their role of running other people's homelands. Kipling's books in the library reflect his interests: "Forty-One Years in India" by Field Marshal Lord Roberts, "My African Home" by E.W. Feilden and "The Foundation of British East Africa" by J.W. Gregory.

In a display case is a drawing by Kipling's father of their house in Lahore and nearby is a photo of the baby Kipling.

Dark woods predominate, especially walnut, but with lots of oak as well, and even with some space set aside to hold cabinets of Kipling memorabilia. The overriding impression that a visitor gets is one of warmth, of family, of raising children and reading aloud to them.

In one room, china dishes and cups from Nanjing are shown in display cases, setting off a delft vase from the Netherlands. Chinese watercolors are illuminated by a Tiffany lamp, and a second Tiffany lamp is nearby. According to the National Trust, an early 17th-century walnut refectory table from France in the parlor is one of the house's best pieces of furniture, showing the influence of the Italian Renaissance on French design.

Legend credits a Sarchi farmer with the first painted ox cart, but today the *carreta* is a national symbol, displayed in shop windows, restaurants and front gardens and in tourist brochures throughout the country.

Displays of woodwork in Sarchi range from a few trays, lamps or chairs in a woodworker's front yard to two major showrooms. In front of the Joaquin Charveri ox-cart factory sit several colorful *carretas*. Inside is a large L-shaped display room open seven days a week, with painted carts (from \$100) and carts with manzanillo wood inlays (\$116 to \$190) among the wood products. On the grounds, carvers and carpenters prepare the cart frames for painters who work in an adjacent studio on weekdays and Saturday mornings.

One of the 17 co-owners, Herbert Acuña Sánchez, likes to show visitors a chart con-

necting fans with a garden with two rows of lime trees, 13 trees in each line, that march out from the house as smartly as the colonial soldiers in "Gunga Din."

The "Gunga Din" of our memory is, of course, the water carrier played by Sam Jaffe in the movie whose cast included Cary Grant, Pooh Gunga Din, hoping to be a proper soldier himself, covering himself with glory and then being shot or, as Kipling put it, "a bullet come an' drilled the beggar clean."

In the dining room there is a wall covering with a tree-of-life motif with vines supporting birds and berries. The piece is thought to be English and it is obviously very old and a great curiosity. It is made of leather that has been stitched together before curing, so that the seams do not show, with the back covered with cloth and front with a thin sheet of metal foil, which our guide said was tin and the guidebook said was silver.

It was on the metal foil that the tree of life was painted and it evidently was the sensation of the neighborhood when Kipling installed it. He also told us that Kipling had one of the earliest cars in the district and that he installed central heating around 1910.

Thanks to photographs that accompanied a 1908 magazine article on Bateman's in the British magazine Country Life, the National Trust has been able to arrange the furniture as it was when the Kiplings lived there. East and West, old and new are placed near each other. Indian souvenirs abound, including relief sculptures by Kipling's father, antique bronzes and terra-cotta pieces that depict Indian scenes or deities.

In one room, china dishes and cups from Nanjing are shown in display cases, setting off a delft vase from the Netherlands. Chinese watercolors are illuminated by a Tiffany lamp, and a second Tiffany lamp is nearby. According to the National Trust, an early 17th-century walnut refectory table from France in the parlor is one of the house's best pieces of furniture, showing the influence of the Italian Renaissance on French design.

Dark woods predominate, especially walnut, but with lots of oak as well, and even with some space set aside to hold cabinets of Kipling memorabilia. The overriding impression that a visitor gets is one of warmth, of family, of raising children and reading aloud to them.

In one room there is a photograph of Kipling telling a story to a group of children who are clearly enchanted by him. The photo was taken aboard a ship while Kipling was en route to South Africa in 1902. What was he reading to them? Perhaps it was "Tommy," his lament for the soldier unappreciated by the civilians, even the proprietors of pubs, he is sworn to protect.

© 1987 The New York Times

*Kipling's Sussex retreat, seen from the southeast; the writer's portrait at Bateman's and, below, his desk in the library.*



Jonathan Player



© 1987 The New York Times



Farmworker with coffee.

Completed and elsewhere. "The Scandinavians have found us too; they come in and ask for 'anything but tea,'" he said.

Examples of Costa Rican woodwork can be found in numerous tourist shops in downtown San José. Most of the stores are within a few blocks of the National Theater and the Plaza de la Cultura.

Some of the best known are Artesanía Canapi at Calle 11 and Avenida 1; Mercado Nacional de Artesanía, Calle 11 at Avenida 2B; Surraka and Magia, on opposite sides of Calle 5 at Avenida 3, and La Galería at Calle 1 and Avenida 1.

*Jeanie Puleston Fleming is a writer living in Santa Fe, New Mexico. She wrote this article for The New York Times.*

## Shopping for Costa Rican Handicrafts

by Jeanie Puleston Fleming

**N**OT many countries seriously tempt visitors to take home gaily painted wooden ox carts, along with coffee-wood sculptures of coffee pickers, or bowls, boxes and combs of woods that occur naturally in vivid purples and deep greens. But an ox cart — reduced in size from the original workday model, and outfitted as a rolling mini-bar — is probably the most typical item to come home from Costa Rica. Local artisans also make a variety of other items, many designed to show off the beautiful grains of the country's tropical hardwoods, others seemingly inspired by the supply of aged coffee trees.

Costa Rican artisans, like the woods they use and the works they create, span a wide range, but most welcome visitors to their workshops.

In the woodworking village of Sarchi, customers can watch teams of factory artisans assemble traditional ox carts. In home-studios, such as those of Rodolfo Sánchez, likes to show visitors a chart con-

taining 150 samples of Costa Rican woods.

Colors range from the vivid purple of naranja (also called purple heart or amaranth) through rich shades of red-brown or ironwood. Factory products include necklaces (\$7), which are samplers of various woods, high chairs (\$30), trays (from \$6) and salad bowls (\$12 to \$30). The store purchases to the United States; packing and shipping fees for a midsize *carreta* are about \$150 to New York, \$100 to Miami.

Farther along the street, the Cooperares Mercado Artesanía advertises its presence by a Paul Bunyan-size ox-cart-wheel sign. Among the products inside are painted ox carts (from \$100 to \$120), coffee tables (about \$50), large bowls with lids (\$12) and canes with animal-shaped handles by José Manuel Alfaro (\$16).

Many of the cooperative's artisans are pleased to show visitors their workshops. At one such home-studio behind the village square, Hernán Arce was painting niqueño and white designs on a full-size ox-cart wheel in a tree-shaded garden. Two of his granddaughters beamed as he showed painted gourds, an ox yoke and scenes on his studio walls as examples of his 40-year career as a decorative painter.

Cruise ships docked at the Pacific port of Puntarenas frequently offer day trips to San José with a stop in Sarchi. Several tour companies in San José, such as Swiss Travel Service, include a visit to the village as part of a half-day tour for about \$18. A taxi hired for the round trip from the capital, including an hour or two's wait in Sarchi, will cost \$25 to \$30. Rental cars are also available. About 10 miles south of San José, in Aserrí, Rodrigo Hernández runs his own business. Hernández, like many of his countrymen, once picked coffee for a living, but he now designs, carves and sells coffee-wood sculptures of the *campesinos* he came to know well.

A typical piece stands about 20 inches high, has a delicately carved face, large, bare feet, and holds an *afroja* (shoulder bag), a bunch of bananas or an open sack of coffee grains. The sculptures of men have flamboyant handlebar mustaches and the

women wear long braids, all left the neutral blond color of the soft wood. Complexions, clothing and accessories are, however, tinted, bananas always with bright green.

Examples of Hernández's work can be seen in San José in the information office of the Costa Rican Tourism Institute (where they are not for sale), and in several of the city's gift shops, such as Artesanía Canapi (at Calle 11, Avenida 1), where they sell for \$100 and up, when available. Hernández also takes orders at his workshop, where a sculpture costs about \$80 and usually takes from two to four weeks to complete, depending on the backlog. Orders are delivered in the San José area only.

Another of Costa Rica's innovative woodworkers is Biesanz, whose family moved to Costa Rica from Michigan when he was a teen-ager. In the last couple of decades he has established a reputation for finely crafted boxes and furniture made in his home-workshop in the San José suburb of Escazú. One of his trademarks is a smooth corner joint with a continuous wood-grain around the turn. Some of his box lids are decorated with Gauguin-like paintings by Ana Barrientes and Fernando Moya, local artists; others feature the rich colors and grains of the woods. Biesanz prefers: rosewood, lignum vitae, amaranth and, when available, tigerwood or saimiri.

In his sandust-coated workshop, Biesanz stressed the importance of working with dried wood. Costa Rica is humid, and merely letting the wood sit a few weeks is generally not enough; cracks can develop in the finished product as the wood dries.

Biesanz's furniture is one of a kind, and often by special order, though he usually has several pieces for sale at his studio. Chairs (\$375 each) were recently on display, as was a dining table for six — its top made of a single piece of wood — (\$850). The most popular items, besides small boxes (\$20 to \$50) and neatly turned bowls (from \$20), are the compartmentalized jewelry boxes of rosewood (\$200) with brass fittings and dovetail joints.

Most of Biesanz's work is exported. Customers come from the United States, France, West Germany, Japan (a large order of sushi bowls and chopsticks was just



Painted ox cart.

Photographs by Jeanie Puleston Fleming

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187

## TRAVEL

## THE FREQUENT TRAVELER

## The Lighter Side: Coping With the Vacation Blues

by Roger Collis

HERE was a time when I used to dread vacations. The very thought of taking off for a fortnight (or heaven forbid, three weeks) to the sun-drenched Caribbean, the fleeces of the Côte d'Azur or one of those idyllic get-away-from-it-all islands in a Greek archipelago would be enough to send me into a catatonic tailspin.

Ah yes, I can hear you murmur, one of those born-again workaholics who doesn't know how to organize his life. Not so. I'm as intrinsically idle as the next man. And as a professional wheel-spinner, I've always been able to rationalize any amount of time away from the office.

No, I was a victim of what management therapists now recognize as "holiday stress," a major factor in executive morbidity. Remove the day-to-day pressures and preoccupations of the office and a new kind of anxiety takes over. More insidious, more debilitating: a kind of free-floating angst about your job and your career that can make you a candidate for Paranooids Anonymous.

Holiday stress is endemic among frequent travelers and reaches an acute stage when the holiday is due to expire. This is known as the "re-entry syndrome."

They say it takes the first week of your vacation to unwind, the second week to enjoy and the third week to worry about what you might find (or not find) when you get back to the office. For example, have they reviewed the budget figures without you? Suddenly you see the dark significance of the chairman's parting words. Karl, your assistant, might be in the chairman's office right now mortgaging your department for the next three years. Maybe you are the chairman. But where was Nikita Khrushchev when he was deposed? Why, vacationing at a Black Sea resort. To paraphrase Clausewitz: Vacations are simply the continuation of politics by other means — a notion that has been enshrined at Harvard Business School in a course called Management by Surprise.

So much for the etiology of holiday stress; what can be done about it?

A prescription of sorts was revealed to me in one of those rare Archimedean moments at the pool of a Tel Aviv hotel during a business trip last year, when I ran into my old friend Sam. He sat down to discuss the problem. Had I read Stanley Zilch's new handbook, "Zen and the Art of Holiday Management"? It transpired that Zilch, director of the Blue Skies Research Institute in Broken Springs, Colorado, has come up with a powerful new management tool for salvaging the sanity of holiday exiles, called Management by Absence. (You may recall Zilch's other contributions to management science such as "Management by Kumor.")

and other essays in corporate bedlam and strife.) Since that fateful meeting, I've never looked back — except for an occasional glance over my shoulder — when I go on vacation.

Sedulous practitioners of Management by Absence (MBAs) know how to suffice any signs of incipient holiday stress by observing the following rules (Zilch's book is currently out of print, but a *secondhand* version is distributed by the Society for Executive Survival, c/o The White House in Washington.)

• Make sure that you are at the center of the universe even when you are away. For example, take the principal movers and shakers with you on vacation. This is something drastic. After all, you are trying to recharge your batteries. A better idea is to send them on holiday themselves or organize an incentive conference, say on a Caribbean cruise, during your absence. Or else hand them grueling assignments that will occupy them fruitlessly while you're away.

One way to do this is to get your secretary to release time bombs in the form of memos requiring urgent attention every few days.

• Management by Absence requires careful attention to delegation. This involves transferring your own anxiety to someone else without appearing to do so. Remember that every piece of paper circulated in a company has an anxiety value — the connoisseur knows how to exploit this by creating an "anxiety gap" between himself and his colleagues — anything from a nagging ulcer-worrying you to raging paranoia.

• While you're away, keep in touch. This doesn't mean phoning the office every day (although if you own a yacht make sure it has a direct-dial satellite telephone) but through your portable PC. There's nothing like firing electronic memos from a moving base to keep people on their toes.

"Don't call us, we'll call you" is an excellent maxim. There's no danger as long as you keep the initiative. One way to do this is to make ominous hints at a major re-organization when you get back to the office. Assign people spurious tasks to give credence to this eventuality.

• Relax. After all this is the object of the exercise.

• Make sure you're missed. Nature abhors a vacuum. By now you should have eliminated the risk of rival relationships developing that may usurp your power base. Divide and rule is an old-fashioned cliché but a powerful one.

The planned chaos and confusion you have sown should make everybody clamor for your return. This should always be unexpected — say the Friday before rather than the Monday morning.

With a bit of luck, you may be hailed as a *deus ex machina*. In which case, you might decide to take even more vacation next year. It's a great way to run a business.

## Standing at the End of the World

by Michael Gibson

LOOKING at a map of Ireland, one can see five fingers of land thrusting westward into the ocean from the southernmost corner of the island. Standing on the farthest tip of each with the right cast of imagination can be like standing at the end of the world.

Beyond there is nothing but the sea — or almost. The northernmost finger is the Dingle Peninsula whence Saint Brendan set out to sea in the early years of the sixth century hoping to find the Island of Paradise (he found Iceland, possibly Greenland and, some believe, America instead). South of that is Iveragh peninsula and beyond it some further specks of land. Culminating at more than 700 feet high, they are known as the Skellig Rocks.

The Skelligs are wilder even than Blasket Island, which stands a few miles to the north and which Tomas O'Crohan, a native fisherman and farmer vividly described in "The Islandman," his chronicles of life there during the last century. "This is a crag in the midst of the great sea, and again and again the blown surf drives right over it before the violence of the wind, so that you dare not put your head out any more than a rabbit that crouches in his burrow in Inishwickillen when the rain and the salt spume are flying," he wrote. Yet one of these rocks was chosen by monks 14 centuries ago as the site of a small settlement. It never sheltered more than 15 men in its most prosperous days, but its modest architectural remains and its breathtaking situation make it one of the most imposing sites in Ireland, and one that offers an extraordinary insight into that remote history.

Brendan's tale may well account for the peculiar inclination shown by communities of monks to establish themselves on inaccessible crannies, as far out on the ocean as possible, as though this could bring them so much closer to the Island of the Blessed, in which a "year is like a day and no one feels hunger or thirst any more." Getting to the Skelligs even today is something of an undertaking. The small motorized fishing boats that putter out of Valencia or Portmagee on a fine day take about an hour to make the trip, but one can imagine what it must have been like when the island was to be reached only by coracles stretched with cow hides.

We were advised to go there with Des Lavelle, a descendant of several generations of Skellig lighthouse keepers and author of a charming and informative book on the islands. One is also advised to take waterproof gear, and this means not only a raincoat but also boots and something to cover the lower half of the body. When we undertook the trip one morning in July, in a broad and very light Atlantic swell, the rear boat chugged and swayed up to the top of the crests and then swayed smoothly down into the 10-foot troughs. The wind, moving endless convoys of double-decked clouds through the mild air, was favorable on the trip out, but on the way back it flung buckets of salt water into our faces at regular

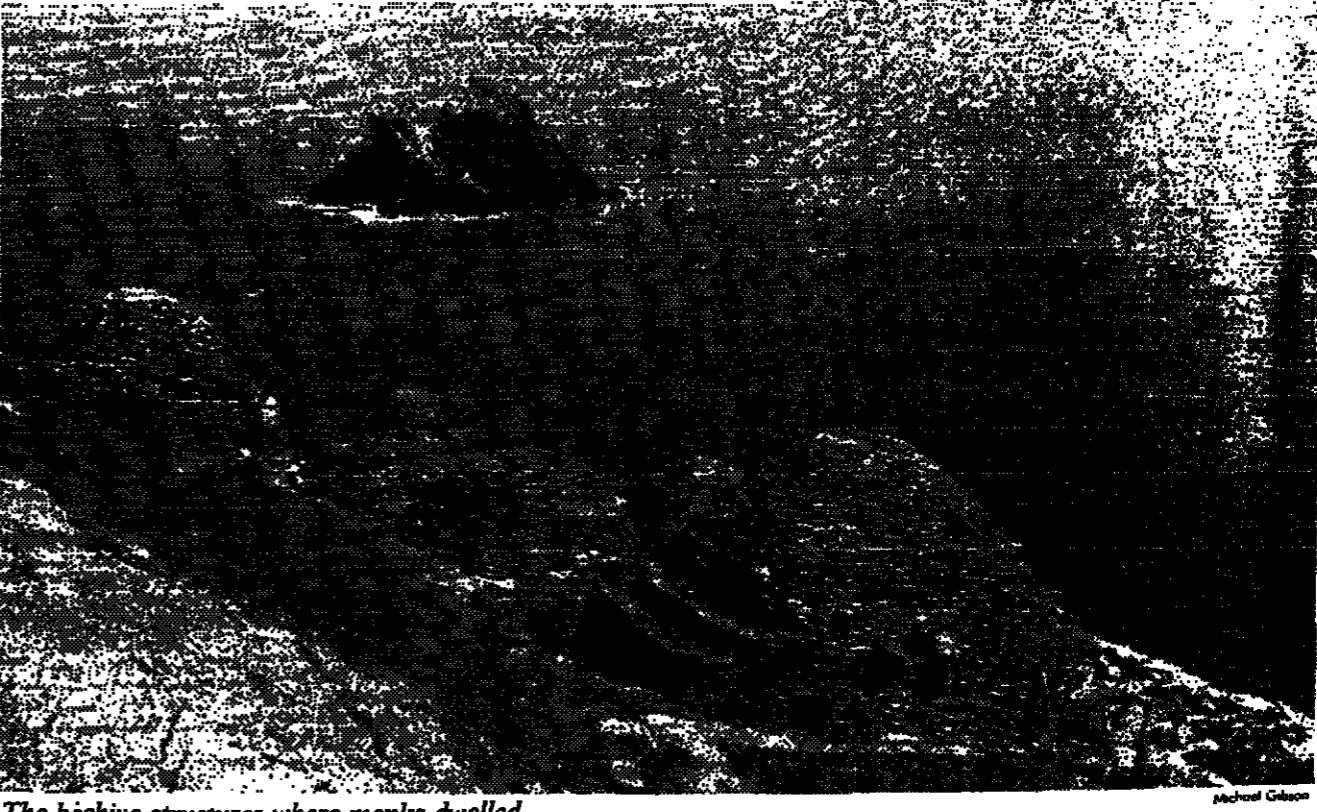
intervals, and we shipped the top of a wave at least once. A passenger, who had until then been sitting there in the proud security of his high rubber boots, suddenly saw them brim over with cool liquid.

The Skelligs are visible as soon as you leave the harbor. Viewed from this side, the 44-acre (17.8 hectare) Skellig Michael, where the monastery stands, is shaped roughly like a pyramid. But Lavelle's boat first headed for Small Skellig, a barren rock that is a sanctuary for about 40,000 birds. The rock ledges there are highlighted in white by the birds and their dung, and the perfume is quite penetrating, even from some distance. As the boat rounded the island, a grey seal followed us briefly, staring after us with half-closed eyes.

Following the steps hewn out or laid down by the monks, you rise and rise. No banner stands between you and the deep. The weather has worked the rock into fantastic shapes and you cannot always tell whether an upright slab is an old crucifix worn down by wind and sea, or a natural formation which is slowly being eroded into the shape of a cross.

Nearing the top we passed a visitor scrupulously counting "fünf hundert acht und dreißig" — five hundred and eight and thirty — and there was yet some way to go. Far below five or six boats could be seen waiting in relative calm on lee side of the island.

One reaches the monastery after one final and slightly dizzying flight of steps. A low doorway marks the entrance, and the limits



The beehive structures where monks dwelled.

Michael Gibson

are still indicated by vestiges of a walled enclosure that failed to keep the Vikings out in 812, 823, 833 and 839. Viewing the monastic one may be inclined to wonder what the Vikings might have hoped to find there. It is not so much a monastery as an eremitic settlement composed of six corbeled, beehive-shaped huts, two boat-shaped oratories, and a small square tower built up against one of the walls. The monks or hermits lived and slept in two or three inside the small windowless buildings. The doors are just over four feet high and the average inside space about nine feet by nine.

The buildings, shaped like stone igloos, are very like the 400-odd huts dating back as far as 1000 B.C. that can be seen between Ventry and Slea Head on Dingle peninsula. The austerity and solitude are overwhelming. The Irish government is currently financing restoration work on the site and it was reopened to the public this summer after having been closed all last year.

Lavelle's book, "Skellig Island Outpost of Europe," is available in most bookshops and souvenir shops in County Kerry. He charges five Irish pounds (about \$7.35) per person for the trip, which lasts all day. Departure from Valentia is around 10 A.M., from Portmagee around 11. Return to Portmagee is around 5:30. You must bring your own food. Any number of other boats can also take you there and driving into Portmagee around 10:30 any morning, you will most likely be flagged down several times and pried with offers.

# OIL & MONEY

## THE CHALLENGE OF THE 1990's

THE EIGHTH ANNUAL INTERNATIONAL HERALD TRIBUNE/OIL DAILY CONFERENCE, LONDON OCTOBER 22-23, 1987

THE program is designed to assist senior executives in the petroleum industry and related fields to determine their business strategies into the 1990's. The Honorable John S. Herrington, Secretary of Energy, United States, H.E. Abd al-Hadi Muhammad Kandil, Minister of Petroleum and Mineral Resources, Egypt, H.E. Rifwanu Lukman, Minister of Petroleum Resources, Nigeria, President of the OPEC Conference, H.E. Arne Oien, Minister of Petroleum and Energy, Norway and The Rt. Hon. Cecil Parkinson M.P., Secretary of State for Energy, United Kingdom will head a distinguished group of energy and financial leaders from around the world.

Senior Executives wishing to attend the conference should complete and mail the registration form today.

## OCTOBER 22

UNITED STATES ENERGY POLICY  
The Honorable John S. Herrington, Secretary of Energy, United States

CHALLENGE OF THE 1990's: A CORPORATE VIEW  
John B. Hall, Chairman and Chief Executive Officer, Ashland Oil Inc.

Philip Oxley, Chairman, Tenneco Europe Ltd, Nader Sultan, President, Kuwait Petroleum International Ltd.

GLOBAL DEMAND AND SUPPLY: AN OVERVIEW  
John F. Licitra, President, Petroleum Industry Research Foundation, Respondent: Hermann T. Franssen, Economic Advisor of H.E. the Minister of Petroleum and Minerals of the Sultanate of Oman

BREAKOUT GROUPS (These three sessions will run concurrently)

NORTH AMERICAN MARKET  
Theodore R. Eick, Chief Economist, Amoco Corporation

Milton Lipton, President, W.L. Levy Consultants Corporation

THE EUROPEAN OUTLOOK  
Giuseppe Saviglioli, Executive Vice-President, AGIP SpA

THE PACIFIC OUTLOOK  
David J. O'Brien, Chief Economist, CALTEX Petroleum Corporation

THE OUTLOOK FOR THE UNITED KINGDOM'S PETROLEUM INDUSTRY  
The Rt. Hon. Cecil Parkinson M.P., Secretary of State for Energy, United Kingdom

MARKET FORCES IN CHARGE OF SUPPLY MANAGEMENT  
John L. Clark, Chairman and CEO, ENCA

ENERGY SECURITY AND THE MIDDLE EAST  
Charles Dibona, President, The American Petroleum Institute

George Quincy Lamden, Director, Oil Market Development, International Energy Agency

Mehdi Vaziri, Senior Analyst, Kleinwort Grievson & Co.

Moderator: Robert Mabro, Director, Oxford Institute for Energy Studies

## OCTOBER 23

MINISTERIAL PRESENTATIONS AND DISCUSSIONS  
M.E. Rizwan Latif, Minister of Petroleum Resources, Nigeria, President of the OPEC Conference

H.E. Arne Oien, Minister of Petroleum and Energy, Norway  
H.E. Abd al-Hadi Muhammad Kandil, Minister of Petroleum and Mineral Resources, Egypt

Moderator: Hermann T. Franssen, Economic Advisor of H.E. the Minister of Petroleum and Mineral Resources of the Sultanate of Oman

THE WORLD ECONOMY: RETURN TO NORMAL GROWTH?  
Sven-Erik Malm, Senior Fellow, Institute for International Economics, former Chief Economist, OECD

Respondent: Timothy Congdon, Chief Economist, Shearson Lehman Brothers

BREAKOUT GROUPS (These three sessions will run concurrently)

FINANCING EXPLORATION AND DEVELOPMENT  
Jean Claude Belanger, Director General, Institut Français du Pétrole

David Pearce, Manager, Project Finance Unit, National Westminster Bank

THE FINANCIAL, HEALTH AND PROFIT PROSPECTS OF THE OIL INDUSTRY  
Dillard Springs, President, Petroleum Analysis Ltd.

CHINA: PROSPECTS FOR OIL DEVELOPMENT  
Kim Woodward, President, China Energy Ventures

LUNCHEON  
FINANCIAL STRATEGIES FOR THE OIL INDUSTRY: NEW INSTRUMENTS AND MARKETS  
Remy E. Cisse, Group Treasurer, BP Finance International

R.E. Cisse, Group Treasurer, BP Finance International

Robert P. Werner, Senior Vice-President, Global Energy Executive, The Chase Manhattan Bank, N.A.

IMPROPTU PANEL DISCUSSION  
Moderator: Nicholas G. Votis, Oil Consultant, London and The Hague

INTERNATIONAL HERALD TRIBUNE  
10th Anniversary

## REGISTRATION INFORMATION

The fee is £695 (plus VAT @ 15% £99.25, total £684.25) or the equivalent in a convertible currency for each participant. This includes lunches, a cocktail reception and post-conference documentation. Fees are payable in advance of the conference and will be returned (less £50 administration charge) for any cancellation postmarked on or before October 12. Cancellations postmarked later than October 12 will be charged the full fee. Substitutions may be made at any time.

Please return the registration form to:  
International Herald Tribune, Conference Office, 63 Long Acre, London WC2E 9JH, or telephone (44) 379 4302 or telex 262009.

Paul Ains is the official carrier for the conference and is offering a special service for all delegates traveling from the United States. For further information call 212 587 5000. Ref CVN 0704

## CONFERENCE LOCATION

Royal Garden Hotel, Kensington High Street, LONDON W8 4PT. Telephone (44) 937 8000.

Telex: 263151. A limited number of rooms has been reserved for participants at preferential rates. Reservations must be received by October 5. Please contact the hotel directly.

## CONFERENCE REGISTRATION FORM

Please enclose the following participant for the Oil Conference.

Please invoice.  Check enclosed.

SURNAME: \_\_\_\_\_

FIRST NAME: \_\_\_\_\_

POSITION: \_\_\_\_\_

COMPANY: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY/COUNTRY: \_\_\_\_\_

TELEPHONE: \_\_\_\_\_

TELEX: \_\_\_\_\_

28-8-87

## PARIS 7th

EIFFEL SHOPPING  
Top Discount  
9, av. de Suffren - Tel: 45 66 60 20.

Open from 10:00 to 20:00 every day.

10% discount on clothes & accessories.

Surprise "ICE-CREAM" with any purchase

## PARIS 8th

ELYSEES SHOPPING

58, rue des Champs-Élysées - Maxima discount

Offices, perfume, cosmetics, etc...

12, Rue de Berri - Tel: 47 62 62 45.

## ARLÉ

Leather goods, jewelry, perfume, cosmetics

50, rue de Berri - Tel: 47 60 72 40.

## PARIS 16th

LIZA

Cosmetics, perfume, leather goods, jewelry,

world

## TRADE

## Hushed Splendor in Zurich

by Paul Hofmann

**W**HEN Henry Kissinger's suit needed pressing at 1 A.M. one night at the Dolder Grand Hotel above Zurich, the job was done without fuss, the way diplomats like envoys to be handled. Service, even more than opulence, is the hallmark of that proud holdover from the Belle Epoque on a wooded hill overlooking the Swiss metropolis and its lake.

On your night table in a soberly elegant room, you will find three buttons, for the floor waiter, the maid and the bellman — a reminder of a bygone era when hotel patrons took prompt attention from a numerous staff for granted. Press the appropriate button, and room service will at once call you back by phone to ask for your order.

Soon an impeccably groomed waiter will roll a folding table through the double doors; it will come complete with gleaming silverware, starched napkins and a fresh

flower in a vase together with the refreshments.

A videocassette deck sits on the color television set. Tapes are available at the newsstand in the lobby. While you are at dinner, the maid turns down the bed covers and puts boxes of Swiss chocolates on the pillows.

In the large, crescent-shaped restaurant whose picture window looks out on a park with well-tended lawns, flower beds, hedges and trees, hotel guests need to tell the maître d'hôtel their room number the first time only; he will remember it for the rest of the stay, and they won't even have to sign a bill.

The autographs of Churchill, Einstein,

Toscanini and other personages of the past can be found in the Golden Book of the Dolder Grand. Today's clientele is made up mainly of financiers, business executives and people who are less easy to classify but seem to have dealings with Zurich's discreet banks.

There is often also a sprinkling of artistic and academic figures. At my latest visit,

the dessert wagon in the Dolder's restaurant.



The dessert wagon in the Dolder's restaurant.

Yves Montand, the singer and movie actor, and Emmanuelle Béart, a rising star of the French cinema, brought glamour to the usually sedate lobby.

An average of 250 employees look after the guests; during peak periods, especially in the warm months, the polyglot staff may swell to 300.

Of the Dolder Grand's 200 rooms (totaling 300 beds) 140 are in the main building. This is an 87-year-old yellowish structure suggesting, in its floor plan, a fan spread out in the direction of Zurich. It has woodwork and dormers on top, and three timber-framed towers that with their spiky cupolas may pass for Helvetic pagodas.

An inn in Riviera-condo style, with terraces and gaudy awnings, was added to the Dolder Grand's west wing in 1964. It contains 60 rooms.

Double doors shield all guest rooms from the corridors. Suites and rooms are spacious with furniture in what may be described as neo-Empire, elegant draperies and overstuffed easy chairs in velvet or pleasant patterns. Particular care has been given to beddings, with gorgeous bedspreads. Bathubs are oversize.

High trees — pines, oaks, birches, beeches — are visible from all windows. Some front suites and rooms command fine views of the northern end of Lake Zurich (500 feet (150 meters) below) and of the city districts hugging it. For the asking, guests are given the Dolder Pass, which entitles them to use of the nine-hole golf links, swimming pool, skating rink and tennis courts that are part of the 50-acre estate. Paths across the forest lure joggers or strollers into the open air; it is far more bracing than the air that people breathe in the city below. Hotel guests share the clean atmosphere with the elephants, lions and other animals of the Zurich Zoo, within walking distance of the Dolder Grand.

Despite its clubby setting, the hotel isn't remote from Zurich's business and cultural life. A cogwheel railroad car departs from a terminal just above the Dolder Grand about every 20 minutes from 6 A.M. to 11:30 P.M., delivering passengers at the Römerhof Square six minutes later. From there you may walk to the Kunsthaus, Zurich's foremost art museum, on the nearby Heimplatz, or take the No. 8 tram to the heart of Zurich, or the No. 3 to the central railroad terminal. The trip on the cogwheel railway traverses

on its quiet, has no night club. What's more, "we are trying to avoid travel groups," the chef de réception, J.-P. Huguenin, said.

A double room with bath at the Dolder Grand costs about \$175 to \$235 a day, a single with bath \$105 to \$150. Continental breakfast is included in the rates, and it is



Photograph by Harald Koell

The Dolder rises above a nine-hole golf course.

a dense forest then descends to a neighborhood of villas and small condominiums. The one-way fare is the equivalent of 70 cents; hotel guests carrying the Dolder Pass travel free. The short-trip fare on the municipal tram network is about 30 cents. A cab ride between the railroad terminal or the Bahnhofstrasse, Zurich's avenue of boutiques, deluxe shops and banks, and the Dolder Grand costs around \$9. The hotel will on request send one of its limousines to fetch travelers from Kloten International Airport, about 20 minutes away; the price is \$30.

The Dolder Grand, whose regulars do

on its quiet, has no night club. What's more,

"we are trying to avoid travel groups," the chef de réception, J.-P. Huguenin, said.

A double room with bath at the Dolder

Grand costs about \$175 to \$235 a day, a single with bath \$105 to \$150. Continental

breakfast is included in the rates, and it is

just that — coffee, tea or hot chocolate rolls, croissants, butter, jam and honey. A small glass of orange juice will add \$2 to your bill, eggs more.

The cuisine of La Rotonde, the hotel's restaurant, is French-inspired. A recent fixed-price dinner included a vegetable soup with croutons, duck à l'orange with mashed potatoes and green vegetables, and a raspberry sorbet served with a plateful of fine, small pastry. With a red Dôle from the 80,000 bottles in the hotel cellar, the meal cost \$34 for one. A la carte lunches or dinners may run to \$50 a person.

The curved restaurant has a soothng garden view through its nine picture windows. Inside, fresh flowers adorn the immaculate tables. The colors in the restaurant and in the salons for private parties are bright, and the design is modern, in contrast to the wood

paneling, tapestries and subdued lighting of the bar and the other public rooms.

A few hundred yards downhill from the Dolder Grand is the Dolder Waldhaus. The official Swiss Hotel Guide gives the Dolder Waldhaus four stars, and the Dolder Grand five-star top rating. Doubles at the Waldhaus cost \$155 to \$176, breakfast included.

Visitors to Zurich who don't care for the hushed perfectionism of the Dolder Grand may want to take the cogwheel railway trip to its grounds with the woodland, promenades and sports installations. Don't miss tea in the hotel lobby, surrounded by darkened paintings in heavy frames and marble columns, under a huge two-tiered alabaster chandelier. Tea or espresso, served in fine china with a starched napkin, will cost \$2.80; an additional \$2.50 will buy a supply of delicate pastry.

1987 The New York Times

## Tourist Traps High in Andes

by Mark Kurlansky

**C**UZCO, Peru — Peru has never developed a major tourist industry, but high in the Andes, in Cuzco and Machu Picchu, it has perhaps the best tourist attractions in South America. And the Peruvians know it.

The former Inca capital, leveled and rebuilt by Pizarro, is an almost untouched Spanish colonial city inhabited by Incan descendants. It has a stunning setting, 3,416 meters (11,207 feet) above sea level. The plane ride alone is stirring, as it passes jagged, glacier-saddled crests.

The air is so thin at this altitude that you feel as if you cannot get enough of it into your lungs. Hotel keepers offer you a tea called *mate* that is supposed to help, but you still have to go slowly if you have sea-level-trained lungs.

The only variation from the 16th-century Spanish architecture are a few remnants of Inca walls, and the remnants of Incan architecture, with stone terracing providing flat fields on impossibly steep slopes, are still all around the city. But the city itself, for all its Spanish architecture, is a living Indian city.

It is also a tourist trap. There is even an exit tax on domestic flights; Peruvians are charged the equivalent of about 23 cents and foreigners \$1.80 to fly back to Lima.

The streets are lined with Indian women

selling every possible item, from flutes to woven articles. It takes only a short while to distinguish between the finely woven, richly colored older work and the cruder, brighter modern weaving. The craft seems to be in decline. However, many Indians can still be

seen in the mountains wearing fine woven shawls. Not all of these can be antiques. Among the odder articles for sale are the little antique dolls that are not really antique, but made from finely woven antique cloth stolen in small fragments from graves. None of this is to say that Cuzco does not provide a genuine glimpse of Peruvian Indian life. Look for the chicha joints. Chicha is

seen in the mountains wearing fine woven shawls. Not all of these can be antiques.

Among the odder articles for sale are the little antique dolls that are not really antique, but made from finely woven antique cloth stolen in small fragments from graves.

None of this is to say that Cuzco does not provide a genuine glimpse of Peruvian Indian life. Look for the chicha joints. Chicha is

seen in the mountains wearing fine woven shawls. Not all of these can be antiques.

There is interesting local fare at restaurants such as El Fogón de las Mesitas, where local dishes include hot peppers stuffed with meat, roast guinea pig, vegetable fritters called *torrejas* and an Indian staple, *kapchi*, a kind of succotash made with potatoes, corn and lima beans.

Machu Picchu, about 50 miles northwest of Cuzco, has some of the most spectacular ruins in the Americas. It is an ancient Inca city so obscured by rugged peaks that it was not discovered until 1911. It is more than ruins. It is houses, city of masonry and water engineering, agricultural techniques and gardening. The setting, great vertical shafts of snow-capped Andes, looks like a place where only a wild man would live.

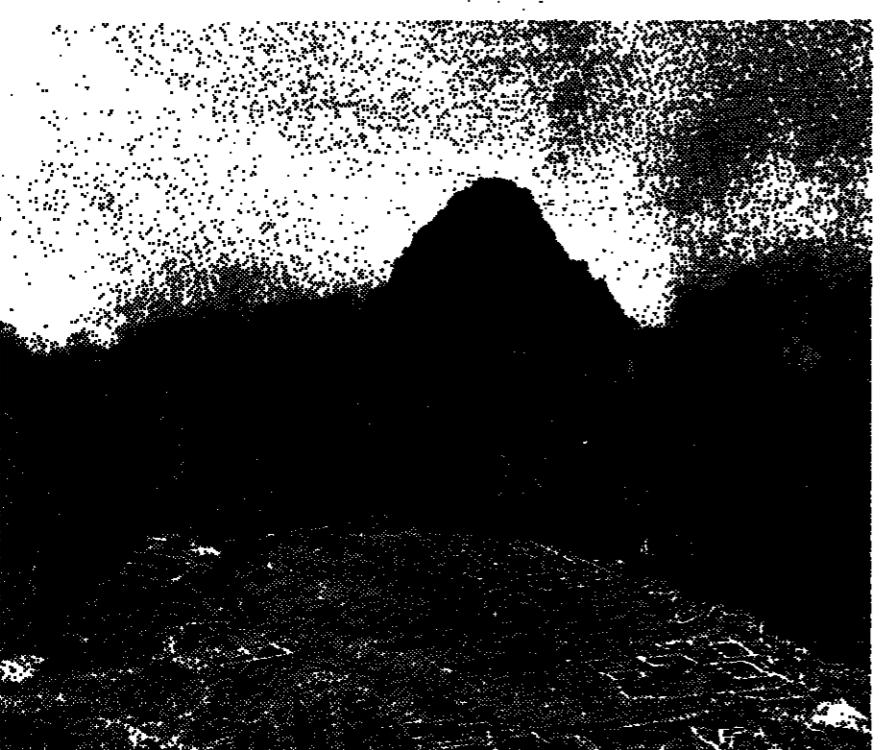
But the city, abandoned for unknown reasons before the arrival of the Spaniards, conveys a sense of a highly sophisticated civilization, as advanced as Europe's but totally different.

There is a choice of how to get to Machu Picchu from Cuzco. There is a commuter train at 5:30 A.M. that stops in many villages and arrives at 10. It costs about \$3 round trip. Or you can leave at 7, pay about \$22 for what is called the tourist train, see no locals and arrive at the same time.

Either way the view is of steep green slopes with Inca terracing and snow-capped peaks, villagers on the trails in colorful alpaca wool clothes and brown adobe villages crammed into rocky crevices.

The region is one of those spots where everything is the way it is supposed to be. Llamas are more common than donkeys. The people stay warm by the fires in the cool night air roasting ears of corn, or anticuchos, tender pieces of beef heart, on a wooden skewer.

Mark Kurlansky is a journalist based in Miami.



The ruins at Machu Picchu and, above, one of the inhabitants.

Photograph by Mark Kurlansky

## ADVERTISEMENT

## INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 27th Aug. 1987

Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price. The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal symbols indicate frequency of quotations reported: (d) daily; (w) weekly; (m) bi-monthly; (r) regularly; (t) irregularly.

The marginal



Why do we need the most hi-tech aircraft maintenance centre in Asia?

3 Thai

FRIDAY, AUGUST 28, 1987

## WALL STREET WATCH

### Small U.S. Regional Banks Earn More Than Accolades

By PHILLIP H. WIGGINS

New York Times Service

**N**EW YORK — Regional banks with no exposure to foreign loans are increasingly being recommended by analysts, as many big money-center institutions and larger regional continue to be battered by problems arising from foreign lending. On Aug. 19, for instance, Citicorp's stock fell \$2.50, to \$63.125 a share, after it announced that it would sell more than \$1 billion in new common stock to rebuild equity capital depleted by foreign loan losses.

Other banks are expected to emulate this strategy, and shares of Manufacturers Hanover Corp., Chase Manhattan Corp., BankAmerica Corp. and Security Pacific Corp. also declined after Citicorp's announcement.

"Besides their lack of exposure to foreign loans, many of these regionals have numerous other positive characteristics which make them attractive to investors," said Virginia Adair, a banking industry analyst at Merrill Lynch.

Analysts are recommending smaller regional banks with superior returns on assets in excess of 1.2 percent and returns on equity of 17 percent or more, high asset quality, strong earnings and a focus on customer service.

A 1 percent return on assets is the generally accepted benchmark for a solid performance by a banking institution, while a return on equity of 14 to 15 percent is considered healthy.

Among high-quality regional banks, Ms. Adair mentions favorably two in New Jersey, a market that this summer has already seen the proposed mergers of two major banks with out-of-state banks — one the U.S. unit of National Westminster Bank PLC.

Her favorites are Valley National Bancorp and the Ultra Bancorporation. Valley National, with assets of \$1.47 billion, has a return on assets of more than 2 percent and an equity of nearly 26 percent. According to one recent report, of the 200 largest U.S. banks in 1986, only one had a higher return on assets than Valley National and just two showed better equity returns.

Ultra is Ms. Adair's second choice. "For 1986, its return on assets of 1.49 percent and return on equity of 19.25 percent were tip significantly from five years ago, when those figures were a mere 0.86 percent and 11.57 percent," she said.

**K**ATHLEEN SMYTHE de Urquiza, analyst for Montgomery Securities' financial services group in San Francisco, said she favored smaller California regional banks in general because they are "well positioned to survive the ongoing industry transition where there currently is a lot of consolidation."

Tim Ray, an analyst with Allen C. Ewing & Co. of Tampa, Florida, likes First Florida Banks. He said the company, with \$4.9 billion in assets, averaged returns of 1.31 percent on assets and 15.95 percent on equity in 1986. "First Florida has a good franchise, tight financial controls and an old-line conservative management," Mr. Ray said. "It's the J.P. Morgan of Tampa."

And John H. Ray, a Chicago-based bank and thrift analyst with L.H. Friend of Los Angeles, likes another high-performing Southeastern bank holding company, the National Commerce Bancorporation of Memphis, Tennessee, a \$1.3 billion institution. Its returns on assets and equity last year were 1.15 percent and 17.49 percent, the highest for any major Tennessee banking company.

Mr. Ray has two regional bank favorites in the Middle West, both banking Chicago: First Midwest Corp. and Heritage Financial Services. "As far as loans are concerned," he quipped, "For Heritage, a foreign loan would be one located in Indiana or Wisconsin."

## Currency Rates

Aug. 27									
Cross Rates		U.S.		D.M.		F.F.		I.L.	
Aug. 27	Aug. 27	Aug. 27	Aug. 27	Aug. 27	Aug. 27	Aug. 27	Aug. 27	Aug. 27	Aug. 27
Airline ticket	2,025	3,275	1,237	3,275	1,237	4,225	1,467	5,424	1,467
Brussels (2)	32,025	6,245	20,702	4,225	1,467	25,075	8,245	35,275	8,245
Frankfurt	1,220	2,931	—	3,294	1,237	4,225	1,467	5,424	1,467
London	1,429	—	2,978	1,237	4,225	1,467	5,424	1,467	2,178
Paris	1,310,62	2,025	1,237	3,275	1,467	4,225	1,467	5,424	1,467
New York (2)	1,200	1,095	4,45	1,715,50	2,025	2,748	1,467	1,467	1,467
Paris	6,075	9,821	2,298	—	1,467	1,237	4,225	1,467	5,424
Tokyo	14,250	21,407	7,237	34,747	1,088	49,57	3,784	51,34	1,467
Zurich	1,479	2,025	1,237	3,275	1,467	4,225	1,467	5,424	1,467
1 ECU	1,197	0,722	2,079	4,716	1,512,04	2,333	4,026	1,769	16,284
1 SDR	1,200	0,724	2,342	7,234	1,497,49	2,344	4,026	1,769	16,284

Crosses in parentheses. For rates and details, see "Currency Rates" in other columns. New York rates of P.L. not available. Commercial banks in Tokyo are second c. 70; buy one dollar, c. 70; units of 100. M.A. not available.

## Other Dollar Valances

Currency		P.M.		Currency		P.M.		Currency		P.M.	
Aug. 27	Aug. 27	Aug. 27	Aug. 27	Aug. 27	Aug. 27	Aug. 27	Aug. 27	Aug. 27	Aug. 27	Aug. 27	Aug. 27
Airline ticket	2,025	3,275	1,237	3,275	1,237	4,225	1,467	5,424	1,467	5,424	1,467
Brussels (2)	32,025	6,245	20,702	4,225	1,467	25,075	8,245	35,275	8,245	35,275	8,245
Frankfurt	1,220	2,931	—	3,294	1,237	4,225	1,467	5,424	1,467	5,424	1,467
London	1,429	—	2,978	1,237	4,225	1,467	5,424	1,467	2,178	1,467	5,424
Paris	1,310,62	2,025	1,237	3,275	1,237	4,225	1,467	5,424	1,467	5,424	1,467
New York (2)	1,200	1,095	4,45	1,715,50	2,025	2,748	1,467	1,467	1,467	1,467	1,467
Paris	6,075	9,821	2,298	—	1,467	1,237	4,225	1,467	5,424	1,467	5,424
Tokyo	14,250	21,407	7,237	34,747	1,088	49,57	3,784	51,34	1,467	1,467	1,467
Zurich	1,479	2,025	1,237	3,275	1,467	4,225	1,467	5,424	1,467	5,424	1,467
1 ECU	1,197	0,722	2,079	4,716	1,512,04	2,333	4,026	1,769	16,284	1,769	16,284
1 SDR	1,200	0,724	2,342	7,234	1,497,49	2,344	4,026	1,769	16,284	1,769	16,284

Aug. 27  
Cross rates unless marked "local rate".  
Commercial banks in Tokyo are second c. 70; buy one dollar, c. 70; units of 100. M.A. not available.

## Interest Rates

Aug. 27											
Eurocurrency Deposits		P.M.		Sterling		French		ECU		SDR	
1 month	6 M-12 M	1-3 yrs	3-5 yrs	5 yrs	10 yrs	1 month	6 M	1 month	6 M	1 month	6 M
1 month	5.45-5.75	3.45-3.75	3.45-3.75	3.45-3.75	3.45-3.75	7.94-8.75	7.94-8.75	7.94-8.75	7.94-8.75	7.94-8.75	7.94-8.75
2 months	5.45-5.75	3.45-3.75	3.45-3.75	3.45-3.75	3.45-3.75	7.94-8.75	7.94-8.75	7.94-8.75	7.94-8.75	7.94-8.75	7.94-8.75
3 months	5.45-5.75	3.45-3.75	3.45-3.75	3.45-3.75	3.45-3.75	7.94-8.75	7.94-8.75	7.94-8.75	7.94-8.75	7.94-8.75	7.94-8.75
4 months	5.45-5.75	3.45-3.75	3.45-3.75	3.45-3.75	3.45-3.75	7.94-8.75	7.94-8.75	7.94-8.75	7.94-8.75	7.94-8.75	7.94-8.75
1 year	5.45-5.75	3.45-3.75	3.45-3.75	3.45-3.75	3.45-3.75	7.94-8.75	7.94-8.75	7.94-8.75	7.94-8.75	7.94-8.75	7.94-8.75

Aug. 27  
Eurocurrency deposits. Minimum deposit of \$1 million minimum (for equivalent).

Aug. 27											
Morty Money Rates		P.M.</									





# Treasury Bond Futures Celebrate 10-Year Climb

By Kenneth N. Gilpin  
New York Times Service

NEW YORK — There was no cake or champagne, but an anniversary of some importance to the financial world occurred last week. Ten years ago last Saturday, Treasury bond futures contracts were introduced by the Chicago Board of Trade to a skeptical and cautious investing public.

"There was a lot of resistance" to the contract, recalled Leslie Rosenthal, managing partner at Rosenthal & Co., a Chicago futures brokerage house. He served as chairman of the Board of Trade's financial instruments committee 10 years ago.

"Dealers were opposed because they pretty much had a monopoly in the business," Mr. Rosenthal said. "The contracts meant that they might be losing business, and that their spreads would narrow. A lot of them told us that interest rates did not fluctuate enough to warrant such a contract."

Such sentiments are gone. Over the last decade ballooning federal budget deficits, sharp moves in the value of the dollar and a increase in the issuance of corporate debt have produced dramatic, daily moves in interest rates.

Slowly, corporate and government bond holders came to the realization that establishing positions in Treasury bond futures was the most efficient way to protect themselves against those moves or to speculate on where interest rates might be headed. Today, the contract represents about 30 percent of all futures trading in the United States.

"In our first full year of trading, some 220,000 contracts changed hands," said Karsten Mahlmann, chairman of the Chicago Board of Trade. "We now regularly trade twice that volume in one trading session."

The board's bond futures contract requires a purchaser of one contract to take delivery of the equivalent of \$100,000 in current U.S. Treasury bonds with a maturity of 15 years or more at a price set at the time of the purchase. A seller of the bond contract must deliver the bonds.

Dealers who purchase bonds can hedge against a possible adverse price move by selling bond futures. In so doing, they spread the underwriting risk of federal debt financing among the participants in the financial futures markets.

In a classic hedging situation, if bond prices rise, the cash bond position profits and the futures position loses. If prices fall, losses are taken on the cash bond position, but the futures position gains in value. When set up correctly, the losses and profits from the hedge should be equal.

Treasury securities are not the only cash instruments that can be hedged against the Treasury bond futures contract. Because of its enormous size, price movements in the secondary market for government securities have a large impact on corporate and tax-free municipal bond rates as well.

Because of that relationship, and because a corresponding product has not yet been introduced, holders of corporate bonds often hedge their positions in Treasury bond futures. A municipal bond futures contract was introduced on the Chicago Board of Trade in June 1985. The board plans to introduce a corporate bond futures contract this fall.

Richard M. Kelly, president of Aubrey G. Lansky & Co. and deputy assistant secretary for debt management at the Treasury Department in 1978 and 1979, said the contract had "served as a useful hedging vehicle as well as an important speculative tool." He added, "Moreover, as interest rate movements have become so important globally, this contract has been the focal point, along with the Treasury cash bond itself, of United States interest rates."

The contract has also been a boon for the Treasury and, as a consequence, for American taxpayers. Initially, Mr. Kelly said, the Treasury was concerned that a futures market for Treasury securities might increase the volatility of long-term interest rates.

On some days, experts said, the bond futures market might indeed make interest rates move more sharply than they otherwise would. But there is also little question, according to former Treasury officials, that the ability to hedge positions in a large, liquid market has made it easier for the government to sell its securities.

"Either explicitly or implicitly, the Treasury bond contract has created a better environment for Treasury debt financing, especially as it relates to longer maturities," said John J. Niehenke, senior vice president for government securities at Nomura Securities International Inc.

## Thursday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

12 Month High Low Stock Div. Yld. PE Stk. 100% High Low Close

</div

## Microsoft, Already a Computer King, Vows to Rule IBM Business Software

By Victor F. Zornow  
Los Angeles Times Service

REDMOND, Washington — This year, Microsoft Corp. edged past Lotus Development Corp. to become the world's largest independent seller of programs for personal computers.

Microsoft had long been the most profitable publisher of PC software. To hear some folks at the company's idyllic 29-acre (12-hectare) headquarters tell it, the leap to No. 1 in sales was simply a case of Manifest Destiny.

While employees at Microsoft overstate the weaknesses of their competitors and fail to mention some strengths, the company's swagger is understandable.

In an industry where others consider themselves lucky to have a best-seller in any single product category, Microsoft is a leader in three: operating systems, computer languages and applications software, where Microsoft publishes the three top-selling Macintosh business programs.

Microsoft's Flight Simulator is also the leading entertainment program for both IBM and IBM-compatible machines and for Macintosh.

Now Microsoft is preparing to unveil new programs in the only major product area where it has failed to produce a major hit: the market for IBM-compatible business applications such as financial analysis, database management and word processing.

At the same time, the company is working feverishly to deliver a successor to its MS-DOS operating system, known as Operating System-2. International Business Machines Corp., the computer giant, has enriched Microsoft by granting it a monopoly on operating system software.

### BUSINESS PEOPLE

## Maisonrouge Resigns Post At Ministry

By Our Staff From Dispatches  
Only 11 months after he was appointed, Jacques Maisonrouge has resigned from his job as director general for industry at the French Industry Ministry. He was replaced Wednesday by Jean-François Saglio, 51, a former civil servant and a director of the state oil group Elf-Aquitaine.

The sudden departure of Mr. Maisonrouge, 62, whose appointment to the number-two job at the ministry had caused a stir in government and business circles, sparked speculation that there had been conflicts between himself and Alain Madelin, the French industry minister.

Mr. Maisonrouge, a former senior vice president of International Business Machines Corp., was the first manager from the private sector to be appointed to a post traditionally held by a senior civil servant.

He has been commissioned by Prime Minister Jacques Chirac to develop France's trade and industrial relations with the United States. He will also be nominated president of an unidentified "important body linked to foreign trade." French sources speculated that it was the Centre Français du Commerce Extérieur, the French center for foreign trade.

Blackstone Group, a private investment banking firm, has hired Roger C. Altman as vice chairman. Mr. Altman, who was an assistant secretary of the Treasury in the Carter administration, said he had left his position as a managing director of Shearson Lehman Brothers Inc. Mr. Altman, 41, will focus on building Blackstone's financial and investment business and takeover activities.

The Magazine Publishers Association of the United States announced that Donald D. Kummerfeld had agreed to take over its presidency on Sept. 1. Mr. Kummerfeld worked for seven years in the Federal Bureau of the Budget, served as deputy mayor of New York and was an associate of Rupert Murdoch. Mr. Kummerfeld, who is 53, will replace William F. Gorog, 61, who is leaving after five years to become president and chief executive of Arbor International, an investment firm in McLean, Virginia.

Moomba Enterprises' music group has named Lee Young Jr. as president. Mr. Young, who has watched the repeated successes of American record companies that have signed foreign entertainers, says he will try to emulate them by adding to his company's roster of non-American performers. He had been executive vice president of the music group.

Shell Development Co. has named James R. Street as president. The company, which is the research division of Shell Oil Co., said Mr. Street would replace Donald G. Russell, who will retire Oct. 1 after 33 years of service. Davis B. Richardson, president of Shell Refining & Marketing Co., will succeed Mr. Street.

Clinique Lauder Inc., the cosmetics company, has hired Karen Anderson, who was editor in chief of Elle magazine, as president. She succeeds Carol Phillips, who was recruited by Leonard Lauder, president of Estée Lauder, to found Clinique 19 years ago.

Hooker Corp., an Australian real estate developer, named Michael J. Babcock president and chief executive of Bonwit Teller, the high-fashion chain that Hooker bought from Allied Stores Corp. in April. He replaces William Rubin, who continues as Bonwit's vice chairman of merchandising. (IHT, NYT)

Microsoft also is a pioneer in a revolutionary new technology using compact laser discs that contain vast stores of data.

At the end of this month, the company will release Microsoft Bookshelf, a single compact disc that contains electronic versions of 10 reference books for writers. At the touch of a few keys, a writer will have access to such works as Roger's Thesaurus, Bartlett's Familiar Quotations, the Chicago Manual of Style and the American Heritage Dictionary.

Microsoft had long been the most profitable publisher of PC software. To hear some folks at the company's idyllic 29-acre (12-hectare) headquarters tell it, the leap to No. 1 in sales was simply a case of Manifest Destiny.

While employees at Microsoft overstate the weaknesses of their competitors and fail to mention some strengths, the company's swagger is understandable.

In an industry where others consider themselves lucky to have a best-seller in any single product category, Microsoft is a leader in three: operating systems, computer languages and applications software, where Microsoft publishes the three top-selling Macintosh business programs.

Microsoft's Flight Simulator is also the leading entertainment program for both IBM and IBM-compatible machines and for Macintosh.

Now Microsoft is preparing to unveil new programs in the only major product area where it has failed to produce a major hit: the market for IBM-compatible business applications such as financial analysis, database management and word processing.

At the same time, the company is working feverishly to deliver a successor to its MS-DOS operating system, known as Operating System-2. International Business Machines Corp., the computer giant, has enriched Microsoft by granting it a monopoly on operating system software.

Critics say Microsoft's plate may be too full. They argue that its new operating system, for example, is full of bugs.

Microsoft also is a pioneer in a revolutionary new technology using compact laser discs that contain vast stores of data.

At the end of this month, the company will release Microsoft Bookshelf, a single compact disc that contains electronic versions of 10 reference books for writers. At the touch of a few keys, a writer will have access to such works as Roger's Thesaurus, Bartlett's Familiar Quotations, the Chicago Manual of Style and the American Heritage Dictionary.

Microsoft had long been the most profitable publisher of PC software. To hear some folks at the company's idyllic 29-acre (12-hectare) headquarters tell it, the leap to No. 1 in sales was simply a case of Manifest Destiny.

While employees at Microsoft overstate the weaknesses of their competitors and fail to mention some strengths, the company's swagger is understandable.

In an industry where others consider themselves lucky to have a best-seller in any single product category, Microsoft is a leader in three: operating systems, computer languages and applications software, where Microsoft publishes the three top-selling Macintosh business programs.

Microsoft's Flight Simulator is also the leading entertainment program for both IBM and IBM-compatible machines and for Macintosh.

Now Microsoft is preparing to unveil new programs in the only major product area where it has failed to produce a major hit: the market for IBM-compatible business applications such as financial analysis, database management and word processing.

At the same time, the company is working feverishly to deliver a successor to its MS-DOS operating system, known as Operating System-2. International Business Machines Corp., the computer giant, has enriched Microsoft by granting it a monopoly on operating system software.

Critics say Microsoft's plate may be too full. They argue that its new operating system, for example, is full of bugs.

Microsoft also is a pioneer in a revolutionary new technology using compact laser discs that contain vast stores of data.

At the end of this month, the company will release Microsoft Bookshelf, a single compact disc that contains electronic versions of 10 reference books for writers. At the touch of a few keys, a writer will have access to such works as Roger's Thesaurus, Bartlett's Familiar Quotations, the Chicago Manual of Style and the American Heritage Dictionary.

Microsoft had long been the most profitable publisher of PC software. To hear some folks at the company's idyllic 29-acre (12-hectare) headquarters tell it, the leap to No. 1 in sales was simply a case of Manifest Destiny.

While employees at Microsoft overstate the weaknesses of their competitors and fail to mention some strengths, the company's swagger is understandable.

In an industry where others consider themselves lucky to have a best-seller in any single product category, Microsoft is a leader in three: operating systems, computer languages and applications software, where Microsoft publishes the three top-selling Macintosh business programs.

Microsoft's Flight Simulator is also the leading entertainment program for both IBM and IBM-compatible machines and for Macintosh.

Now Microsoft is preparing to unveil new programs in the only major product area where it has failed to produce a major hit: the market for IBM-compatible business applications such as financial analysis, database management and word processing.

At the same time, the company is working feverishly to deliver a successor to its MS-DOS operating system, known as Operating System-2. International Business Machines Corp., the computer giant, has enriched Microsoft by granting it a monopoly on operating system software.

Microsoft's plate is perhaps too full. They contend that the early version of the new OS-2 operating system shipped to software developers in early May take up too much com-

puter memory, runs too slowly and is full of bugs.

The early release enables software developers to begin writing applications for the new operating system.

As a result, many in the industry predict that Microsoft will be late in delivering the Presentation Manager version of OS-2, which fully exploits computer capabilities by

computer, will allow programmers to write applications with dramatically enhanced capabilities.

Microsoft, which has not yet announced a release date for Presentation Manager, says the complaints are unwarranted. "For many companies, especially companies that want to milk old products and cut back on research and development, the status quo provides certain advantages," said Mr.

Many believe that Microsoft is unusually well situated to take advantage of the arrival of OS-2. The company's virtual monopoly on IBM and IBM-compatible operating system software assures a steady stream of profits to plow back into applications development.

Mr. Gates has made no secret of his determination to unseat Lotus as the No. 1 seller of software for business applications.

"He is trying to build the IBM of software, and is determined to be No. 1 in everything Microsoft is involved in," said David Bunnell,

chairman of PCW Communications and an old acquaintance of Mr. Gates. "I mean everything."

Mr. Gates' dream, which he has pursued since 1975 when he

dropped out of Harvard University and moved to New Mexico to adapt the BASIC language to the MITS Altair computer, is for PCs to serve as easy-to-use "information appliances" in schools, offices and homes.

Later he moved the company to the Seattle area, where he grew up and where his father is a prominent lawyer and his mother a member of several corporate boards.

The promise of the PC goes far

beyond mundane business applications like spreadsheets," Mr. Gates said in a brief interview at a trade show in June.

That is why Microsoft has thrown its weight behind development of compact disc technologies known as CD-ROM and CD-I. The technology uses silver discs resembling audio CDs that can store 550 megabytes, or 275,000 pages, of information — pictures as well as text.

Chemical Bank Home Loans

Special Terms for UK Mortgages  
\* 100% mortgages for expatriates  
\* highly competitive rates  
Phone our mortgage consultants on 01-380 5019/5214

## BANKRUPTCY NOTICE

To those who have or may have claims against any of the following:

Chateaugay Corporation

Recoar, Inc.

LTV Steel Company, Inc.

Acquo Corporation

Jones & Laughlin Steel Incorporated

Jones & Laughlin Steel Corporation

Jones & Laughlin Biwabik Ore

Mining Company

New J&L Steel Corporation

Republic Steel Corporation

Youngstown Sheet and Tube Company

Magdalene Mining Company

Rand L Corporation

Union Dock Company

Jones & Laughlin Realty Properties, Inc.

North Versailles Mining Company

Nikoma Corporation

HFV Steel Company

Nikoma II Corporation

Endura Corporation

RSC Energy Corporation

The Buckeye Coal Company

LTV Steel Flat Rolled and Bar Company

Calumet Barge Terminal, Inc.

Central States Operating Company

General Alloy Casting Corporation

Hydrocoal Transportation Company

The Mayville Iron Company

Nemacolin Supply Company

Transoceanic Terminal Corporation

The Youngstown Steel Products Company

Company of Michigan

The Youngstown Mines Corporation

The Youngstown Steel Products Company

Republic Hibbing Corporation

Agionet, Inc.

Central States Precision Steel Company

Citron Coal Company

Economy Fuel and Supply Corporation

Homar Precision Grinding Company

LTV Tubular Products Company

Mahoning Ore and Steel Partnership

Mid-Atlantic Precision Steel Company

Midwest Precision Steel Company

Nemacolin Mines Corporation

Predco Steel Corporation

Republic Fuel and Supply Company

Southern Precision Steel Company

V.H.E. Corporation

LTV Steel Tubular Products Company

KGD Corporation

LTV Tubular Products Company

LTV Specialty Steels, Inc.

J&L Specialty Steels, Inc.

Midstain, Inc.

Bardale Coal Company

Barrel Corporation of West Virginia

Republic Container Company

BCNR Mining Corporation

Crystalee

Dearborn Leasing Company

Eric B Corporation

Behlehem Eric Corporation

Eric Development Company

Eric I Corporation

Interlake Eric Corporation

Eric Mining Company (LTV Steel Mining Company)

Georgia Tubing Corporation

Gulf States Steel Corporation

CKH Corporation

NRE Corporation

North River Energy Company

J.W. Storage Company of Ohio

Republic Storage Systems Company

J





## OBSERVER

## Flight Line Ordeals

By Russell Baker

**N**EW YORK — Cal Ripken Jr., manager of the Baltimore Orioles, wanted to fly from Baltimore to Seattle last week but encountered Chicago along the way. There, after taking on passengers, his plane moved away from the terminal, feigning an intention to engage in flight, and crept around the airport for the next three hours.

"No air-conditioning on the plane, either," Ripken said. Obviously, Ripken doesn't know much about flying these days. The air-conditioning is always turned off during the three-hour wait for take-off. This is so the airlines can find out if the passengers have the right stuff. Can they spend three hours sealed inside a broiling metal container, moving at three-tenths of a mile per hour, without breaking down?

Passengers lacking the right stuff may be removed in handcuffs. It happened recently at Chicago. Deceived by the test vehicle's resemblance to an airplane, a customer apparently thought it would fly him to New York and made an ugly scene after the three-hour test began. He didn't have the right stuff.

Ripken's stuff must be as right as Chuck Yeager's, for he passed the Chicago test without being tossed into the hoosegow and arrived on the Pacific Coast in time to see his team lose to the Seattle Mariners for the seventh consecutive time this summer.

Had Ripken read "How To Fly," by Dr. Harold J. Liverworth, he could have avoided the agony of Chicago. "Bloodied veterans of air travel," writes Liverworth, "never submit to the ordeal until asking: 'Am I really in that big a hurry?'"

If not, he counsels, go by train, bus or car. Ripken should have taken the train. Consider: His team has been positioned for months just one step out of the cellar of the American League East, habitually 15 to 18 games out of first place.

Since the Orioles were going nowhere, it was sensible for Ripken — he had been back in Baltimore because of a death in the family — to undergo ordeal by air travel to reach Seattle. By choosing instead to take a relaxing three-day train ride west, he could have passed up Seattle entirely and arrived in Oak-

New York Times Service

## TODAY'S

INTERNATIONAL  
REAL ESTATE  
MARKETPLACEAppears on  
page 12CONGRATULATIONS  
25th BIRTHDAY  
MESSAGE CENTER

## VALERIE &amp; MATTHEW

September 6, 1987  
All the best in your 25th together.  
From Elizabeth. Many happy returns  
from your JMC staff.

## HAPPY BIRTHDAY, JACK

With love from Elizabeth. Many happy returns  
from your JMC staff.

## ANNOUNCEMENTS

## ANNOUNCEMENTS

## LOSE WEIGHT, GIVE UP SMOKING

+ drinking. Learn stress control in a very exclusive private medical clinic in West Germany. Call 0703/200000. Write or phone CHRISTIANA CLINIC, Muenchenerstrasse 10, D-7000 Stuttgart 1, West Germany. Tel. 0711/72-4010.

## VIDEO FILMS IN ENGLISH

determined to you, door. Call Post 45 42 55 66, West Germany.

## ALCOHOLICS ANONYMOUS

in English. Post 4524 5505, Room 03 30, Netherlands. Tel. 020 253007

## MADONNA TICKETS FOR NICE

Tel. now 67 67 20 20

## MOVING

## ALLIED

## WORLDWIDE MOVING

## PARIS

(1) 43 43 22 24

## NICE

(1) 21 21 22 22

## FRANKFURT

(069) 250046

## L.M.S.

## AMERICAS

(01) 953 2426

## GENEVA

(022) 27 40 40

## AUSTRALIA

(0101) 212-611-8100

## MOVING

## LOW COST FLIGHTS

## ACCESS VOYAGES

New York

San Francisco

Los Angeles

Dallas

Chicago

Atlanta

Houston

Montreal

Toronto

Montreal

Vancouver

Vancouver

Edmonton

Calgary

Edmonton

Vancouver

Vancouver&lt;/div